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UN ENVOY URGES END TO IRAN-IRAQ CONFLICT

OW012234 Beijing XINHUA in English 2222 GMT 1 Jun 84

[Text] United Nations, June 1 (XINHUA) -- China has once again appealed to Iran and Iraq to stop their hostilities. Speaking at today's meeting of the UN Security Council, Ambassador Mi Guojin said: "Both Iran and Iraq are friendly to China. As friends, we wish to appeal to them once again with all sincerity to turn hostility into friendship." Ambassador Mi, who is Chinese deputy permanent representative to the United Nations, said "People throughout the world will be happy if peace is restored there." Since May 25, the Security Council has met for five times to consider a complaint by six Arab states against what they claim are "Iranian aggressions on the freedom of navigation to and from the ports of our countries."

Ambassador Mi said China is deeply concerned with the situation in the Gulf area. "The war between Iran and Iraq has developed to repeated attacks on oil tankers and ships in the Gulf area, posing thereby a threat to navigation and trade and foreboding the danger of internationalizing the war," he said. "All the Gulf states are developing countries belonging to the Third World. They should live together in peace and amity. We earnestly appeal to all the parties concerned to exercise restraint, not to take actions that would further aggravate and complicate the situation and work actively for the settlement of the dispute through peaceful negotiations so as to avoid superpower interference," Ambassador Mi stressed. He stated that China maintains that free passage on the high seas in the Gulf and the right to trade should be respected. It is in conformity with the basic interests of the Gulf states to ensure the safety of passage and the freedom of navigation in the Gulf. "The Chinese delegation again hopes that the Security Council will take actions conducive to overcoming the crisis in the Gulf area and bringing about the participation of both belligerent parties in the process of peaceful negotiations," Ambassador Mi said.

Votes for Resolution

OW021206 Beijing XINHUA in English 0631 GMT 2 Jun 84

[Text] United Nations, June 1 (XINHUA) -- Through week-long consultations and discussions on the recent situation in the Gulf area, the United Nations Security Council today adopted a resolution, condemning "recent attacks on commercial ships en route to and from the ports of Kuwait and Saudi Arabia". The Security Council began its consideration on May 25 of a complaint by six Arab states against "Iranian aggressions on the freedom of navigation to and from the ports of our countries". A strongly-worded resolution condemning Iran by name was proposed at that time by the six states of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. Intense consultations behind the scenes over the wording of the resolution ensued before the resolution was approved today with a vote of 13 in favor and two abstentions (Nicaragua and Zimbabwe). The adopted resolution "reaffirms the right of free navigation in international waters and sea lanes for shipping en route to and from all ports and installations of the littoral states that are not party to the hostilities". It "calls upon all states to respect in accordance with international law the right of free navigation".

After voting for the resolution, Ambassador Mi Guojun, Chinese deputy permanent representative to the United Nations, made an explanatory speech. He said that consistent with the principle that the right to freedom of navigation on the high seas and international sea lanes should be guaranteed and that ships of the non-belligerent parties must not come under attack, the Chinese delegation had voted in favour of the draft resolution. He added: "China takes a strictly neutral position with regard to the war between Iran and Iraq. We sincerely hope that a cease-fire could be effected as soon as possible between the two sides and their disputes would be settled through peaceful negotiations. Any action the Security Council takes must be conducive to the bringing about of the participation of the two sides in the process of peaceful negotiations."

Iranian representative to the United Nations Seyyed Rajaie-Khorassani gave a press conference right after the voting. He expressed his "regret" and "astonishment" at the adoption of the resolution.

JOURNAL VIEWS SOVIET-U.S. MILITARY CONFRONTATION

HK310824 Beijing BAN YUE TAN in Chinese No 8, 25 Apr 84 pp 55-57

[Article by Wan Muchun: "Intense Confrontation Between Rivals -- The Intensification of Military Confrontation Between the Soviet Union and the United States in the Asian-Pacific Region"]

[Text] Before dawn on 21 March, the 80,000-ton U.S. aircraft carrier Kitty Hawk, which was taking part in the U.S.-South Korean joint military maneuver in the Sea of Japan, suddenly collided with a Soviet submarine, which was shadowing it. On 2 April the Soviet aircraft carrier Minsk fired 8 signal flares, three of which hit, at the U.S. frigate Harold E. Holt which was shadowing the carrier. Those two incidents could not help but remind people of the horrible incident of a South Korean airliner in the sky above Sakhalin Island on 1 September, a massacre that shocked the whole world. The sky is vast and the ocean is boundless, but the Soviet Union and the U.S. -- the two antagonist countries -- found them too narrow and collided with each other. Judging by these incidents alone, it is not difficult for people to realize how intense the military confrontation between the Soviet Union and the United States is in the Asian-Pacific region.

Since the mid-1970's the Soviet Union has strengthened its military forces in the Far East on an unprecedented scale and at an unprecedentedly great speed. The Soviet Navy can sail from the Sea of Okhotsk and the Sea of Japan to the southeastern Pacific, the Indian Ocean, the Red Sea and the Mediterranean Sea, thus linking the three continents of Europe, Asia, and Africa. It has also set up an arc-shaped line of bases on this route. By so doing, as soon as a war breaks out the Soviet Navy will be able to quickly break through the U.S. and Japan's blockade of La Perouse Strait, Tsugaru Strait and Tsushima Strait, sail past the Malacca Strait and enter the Indian Ocean and the bays there in order to outflank Europe. Moreover, it will be able to effectively control and close the Malacca Strait, vitally threaten the marine shipping routes of the United States and Japan and thus strike vital blows at these two countries.

The ground forces deployed by the Soviet Union in the Far East have already increased from 20 divisions in the mid-1960's to 53 divisions consisting now of more than 500,000 troops. Since 1979 the number of tanks with these troops has doubled to 15,000. The Soviet Air Force deploys about 3,000 war planes in four military regions in the Far East. The Soviet Pacific Fleet consists of 820 warships with a total tonnage of 1.6 million metric tons, a tonnage that is more than double that of the U.S. Seventh Fleet (670,000 metric tons) in the Asian-Pacific region. The Soviet Pacific Fleet is the strongest of all the fleets of the Soviet Navy.

The number of SS-20 medium-range nuclear missiles that the Soviet Union has deployed in the Far East has risen from 99 a year ago to 135 now and will be further increased to 144 soon. In addition, the Soviet Union also has deployed about 70 Backfire long-range bombers that can carry nuclear bombs, and large nuclear submarines armed with intercontinental missiles.

The Soviet Union attaches particularly great importance to its military bases in the Okhotsk Sea area and in Vietnam. The area around Sakhalin Island, where a South Korean airliner was shot down last year, is densely covered with Soviet army, navy, and air bases where various kinds of advanced planes and warships gather and where there are missile testing sites and submarine training sites. Japanese military experts are of the opinion that the Soviet Union is attempting to turn the Sea of Okhotsk into a "domestic sea" and into an important stronghold for its nuclear confrontation with the United States. Vietnam's Cam Ranh Bay has already become a large modern military fortress of the Soviet Union. In this fortress the Soviet Union has established advanced electronic intelligence systems to monitor China, the U.S. Seventh Fleet and the U.S. military bases in the Philippines. Soviet submarines often set out from Cam Ranh Bay and sail to carry out activities in areas as far as Australia, and the islands in the South Pacific and Indian Oceans. Soviet planes from this base can carry out reconnaissance tasks in the whole Southeast Asian area and the Bay of Bengal and the Badger bombers which can carry nuclear bombs directly threaten these areas.

The United States always holds that it has great strategic and economic interests in the Asian-Pacific region. During the past few years the Asian-Pacific region has outstripped Europe and become the U.S. greatest trading partner. U.S. investment in this region exceeds \$26 billion and its investment in the ASEAN countries alone totals more than \$5 billion. The Asian-Pacific region is of decisive significance in U.S. global strategy. Many important personages in U.S. military and political circles have stressed that the United States can never allow the Soviet Union to gain a leading position in Asia. During the past few years, the United States has entirely put an end to its previous reduction policy and vigorously strengthened its naval and air forces in this region and the strength of its allies and the "frontline countries" there. It has been reported that at present the U.S. fleet in the Pacific Ocean consists of 7 aircraft carriers, 39 attack submarines, 87 large surface warships, 5 large landing ships and more than 80 auxiliary ships. Included in this are 90 warships and 410 airplanes of the Seventh Fleet. This June the United States will arm its Seventh Fleet with Tomahawk cruise missiles. The nuclear warhead carried by this kind of missile is 10 times more powerful than the atomic bomb that was dropped on Hiroshima in 1945. Its range is 2,500 km and it can avoid being discovered by radar and fly at low level directly toward its target. The United States also plans to greatly strengthen its troops stationed in the Pacific region.

At present the United States has 300 military bases and other military facilities in the Pacific region, of which 120 bases are in Japan. During the past few years the United States has paid great attention to strengthening the military forces deployed on these bases, particularly the anti-submarine forces, air force, and nuclear strike force there. The number of various kinds of missiles that the United States has deployed in Japan and South Korea already totals over 1,000. In strengthening the military forces of its allies and the "frontline countries," the United States pays the greatest attention to Japan and South Korea and next to Thailand, the Philippines, and Indonesia, and then to Australia and New Zealand. The United States always regards the establishment of the "Northeast Asian triangle" -- the "U.S.-Japan-South Korea military alliance" -- as the most important link. For this purpose, it has time and again demanded that Japan play an even greater role in the defense of the Asian-Pacific region. It has also continuously carried out joint military maneuvers with some of its allies and strengthened its military aid to them. The sharp confrontation between the United States and the Soviet Union in the Asian-Pacific region is turning this region into an "arsenal" of the world. This extremely tense situation makes the Pacific Ocean even more unpeaceful.

REAGAN URGES USSR TO NEGOTIATE IN DUBLIN SPEECH

OWO42132 Beijing XINHUA in English 2119 GMT 4 Jun 84

[Text] Dublin, June 4 (XINHUA) -- Visiting U.S. President Ronald Reagan said here today he was willing to negotiate with the Soviet Union a treaty barring the use of force in Europe if Moscow drops its objections to Western proposals for increasing mutual military confidence and reducing the risk of accidental war. Addressing a joint session of the Irish National Parliament, Reagan also urged the Soviet Union to return to the negotiation table of arms control talks. Reagan said the fact that the Soviet Union has since 1977 deployed 370 SS-20 missiles capable of reaching every city in Europe constitutes a threat "we and our allies could not ignore."

In addition to the arms control negotiations, Reagan also stressed the need to limit the use of armaments in what he called "troublesome or potentially difficult regional situations," and to guard against "miscalculation or misunderstanding in troubled or strategically sensitive areas of the world."

Earlier when Reagan stepped onto the forum and was about to speak, a number of members of Parliament walked out in protest and there was a short moment of uproar.

Reagan in his speech pledged U.S. support to the Irish effort to achieve a peaceful solution to the Northern Ireland problem, but said "we (the United States) must not and will not interfere in Irish matters, nor prescribe to you solutions or formulas." In what was a more substantial pledge, Reagan said the U.S. would continue to encourage U.S. investment in Ireland. There are now more than 300 U.S. factories in Ireland providing some 37,000 jobs. Reagan said, "I assure you today we will encourage even greater investment for the future."

In his toast at a state dinner for Reagan last night, Irish Prime Minister Garret Fitzgerald told the U.S. President that the Irish people's deep concern is that the problems in Central America be resolved peacefully by the people of the region themselves along the lines proposed by the Contadora countries."

Reagan arrived in Ireland last Friday to visit his forefather's birthplace Ballyporeen in Southern Ireland and left there for London this afternoon for talks with Prime Minister Margaret Thatcher before going on to Normandy, France. Then he will go back to London for the seven-nation economic summit.

JOURNAL ON ECONOMIC, TRADE RELATIONS WITH U.S.

HK290912 Shanghai SHIJIE JINGJI DAobao in Chinese 30 Apr 84 p 3

[Article by Wang Yaotian [3076 1031 3944], member of the Board of Directors of the Society of International Trade, member of the board of Directors of Shanghai's Society of World Economics, deputy secretary general of the Society of Research on the U.S. Economy: "The Potential for Development of Economic and Trade Relations Between China and the United States Is Unlimited" -- capitalized passages published in boldface]

[Text] In an interview granted to Chinese reporters on the eve of his visit to China, U.S. President Reagan expressed his wish to strengthen the friendship and relations between the United States and China and he thought that there were bright prospects for the development of trade between the two countries. We welcome President Reagan's friendly gesture.

During his visit to the United States, at a meeting with businessmen from the West, Premier Zhao Ziyang said: The United States is a developed country whose economic and technological power is paralleled by no other country in the world and China is the biggest developing country. The potential for development of the trade and economic relations between the two countries on the basis of equality and mutual benefit can be said to be unlimited.

It can be seen that the leaders of the two countries share a common desire for the development of Sino-U.S. trade and economic relations. According to universally accepted international trade theories, if there are great differences between two countries in terms of economic development, product mix, and variety of export commodities, the two countries will have many opportunities for developing economic cooperation and trade relations with great benefit.

The Development of Sino-U.S. Trade and Economic Relations Is Beneficial to Both Countries

At present, there is a big difference between China and the United States in terms of the level of economic development. In addition, there are also differences in product mix and variety of export commodities. The United States is good at the production and export of capital- and technology-intensive products. China has a certain industrial basis and it is exporting some industrial products. However, it devotes more effort to producing labor-intensive products. The two countries are endowed with different favorable factors for production: China is rich in many mineral resources which are in short supply in the United States. The United States has more funds. Its technology is advanced. The area of arable land in the United States is extensive and its agriculture is more modernized. The two countries' favorable factors for production will not change easily. However, by way of trade and economic cooperation, they can give play to their superior factors for production and benefit themselves.

Sino-U.S. trade has a long history. For reasons known to all, Sino-U.S. trade relations were once completely suspended. However, since the issuance of the "Shanghai Communiqué," Sino-U.S. trade has rapidly developed. The total volume of bilateral trade increased from \$10 million in 1972 to \$5.5 billion in 1981. The volume of trade almost doubled in several years in that period.

Since 1981, because of U.S. arms sales to Taiwan and its policy of discriminating against trade with China, it has restricted our export of textile goods by imposing quotas and strictly controlled the export of technologies. Consequently, the steady growth of Sino-U.S. trade has been checked. In 1982, the volume of trade between the two countries dropped to \$5.2 billion. In 1983, it dropped further, to \$4.4 billion. The U.S. departments concerned estimate that the volume of Sino-U.S. trade can increase to \$6 billion this year. We hope that there will be a greater increase in the next few years.

The Potential for Development of Sino-U.S. Economic Relations and Trade Is Unlimited

If China and the United States can make joint efforts, the potential for the development of trade and economic relations between the two countries can be said to be unlimited. The reasons are:

1. BOTH CHINA AND THE UNITED STATES ARE BIG MARKETS AND YET THE VOLUME OF THEIR TRADE WITH EACH OTHER AT PRESENT CONSTITUTES ONLY A VERY SMALL PROPORTION OF THEIR TOTAL VOLUME OF TRADE.

The United States is a country where production and consumption is highly developed. It has a great domestic market for means of production and consumer goods. In 1981, U.S. imports totalled \$254.9 billion. China's imports in the same year only amounted to \$1.9 billion, less than 1 percent of the volume of U.S. import trade. Let us take textile goods, one of the important commodities China exports to the United States, as an example.

At present, the textile goods China exports to the United States constitute only 5 percent of the textile goods the United States imports. The United States imports very little oil and few other products. This shows that the potential of China's exports to the United States is very great.

To China's foreign trade enterprises, the United States is a new market. U.S. trade laws and regulations are the most complicated ones in the world. They contain discriminatory articles which are unfavorable for the development of bilateral trade between China and the United States. If the United States does not revise these articles in time, it will be very difficult for China's commodities to enter the U.S. market. At present, China's commodities are given most-favored-nation treatment. However, since China is a developing country, it should be given generalized preferential treatment. In addition, China always has deficits in its trade with the United States. However, bilateral trade between China and the United States can only expand on the basis of the principle of basic balance. Bilateral trade between China and the United States can be balanced only if the United States lifts the restrictions imposed on China's export commodities. In 1983, an agreement was reached at the Sino-U.S. textile talks. However, problems still exist. We hope the U.S. Government will further open the U.S. market to China's commodities.

Looking at the Chinese market, we find that although China principally relies on its own efforts in carrying out its modernization, it must also import many advanced facilities and technologies. In 1982, China's import from the United States amounted to \$2.9 billion. The total volume of U.S. exports in the same year amounted to about \$200 billion. U.S. exports to China constituted only 1.5 percent of its total volume of exports. It can be seen that the potential of the Chinese market for certain intellectual-intensive and technology-intensive products produced by the United States is very great.

2. THERE ARE BROAD PROSPECTS FOR THE DEVELOPMENT OF SINO-U.S. ECONOMIC COOPERATION.

If it is said that the potential for development of bilateral trade between China and the United States is very great, then there are even broader prospects for economic and technological cooperation between them. The United States is an economically and technologically developed country. It dominates some high-grade, precision, and advanced technologies. China's modernization requires the constant import of advanced technologies and facilities. The exploitation of China's natural resources on the basis of equality and mutual benefit will be beneficial to both China and the United States. At present, there are many oil companies taking part in prospecting for and extracting China's oil. In addition, there are other enterprises cooperating with China in the excavation of coal, the manufacture of instruments, meters, and medicines, and in other areas. There is good reason to believe that as long as there are favorable circumstances, there will be even more comprehensive cooperation in many more areas in the future.

The Seedling of Sino-U.S. Relations Is Being Painstakingly Fostered

In order to attain the magnificent goal of modernization, China has to introduce great amounts of foreign capital, import technologies, and develop foreign trade and economic relations. There is also a need for the United States to develop foreign trade and economic relations. Both sides hope that there will be a stable and sustained development of trade and economic relations.

On several occasions during his visit to China, President Reagan spoke on the question of developing trade and economic relations between the two countries. On 27 April, in a speech delivered in the Great Hall of the People, the President said: "The United States and China have an historic opportunity. And there is much we can share. We think progress in four areas is particularly promising: trade, technology, investment, and exchanges of scientific and managerial expertise." We express our appreciation for what the President said.

As pointed out by Premier Zhao, Sino-U.S. relations are still a seedling which has to be fostered with the constant, sustained, and painstaking efforts of both countries. In order to introduce foreign capital and to import technologies, China has created, and is still creating, favorable conditions for investment. The "regulations governing the enforcement of laws governing enterprises under joint Chinese and foreign proprietorship" and the "Patent Law" promulgated not long ago have perfected the economic legislation concerning foreign affairs and foreign nationals. We hope that the United States will also provide the conditions necessary for the development of Sino-U.S. trade and economic relations. We further hope that insightful U.S. businessmen will promote Sino-U.S. economic cooperation with their own efforts. We think that the development of Sino-U.S. trade and economic relations is in the interest of the People's Republic of China and the United States and is favorable for the stability of the world situation.

Volume of Sino-U.S. Commodity Trade
Units in \$100 million

	Total Volume of Bilateral Trade	PRC Exports	PRC Imports
1972	0.13	0.1	0.03
1973	2.6	0.4	2.2
1974	4.7	1.0	3.7
1975	4.7	1.3	3.4
1976	3.16	1.56	1.6
1977	2.9	1.8	1.1
1978	9.9	2.7	7.2
1979	24.5	6.0	18.5
1980	48.1	9.8	38.3
1981	58.8	15.0	43.8
1982	53.3	16.0	37.3
1983	44.1	21.7	22.4

Source: IMF, China's Economic Yearbook.

Note: The 1983 figures are based on statistics compiled by the U.S. Department of Commerce and are reckoned on the basis of F.O.B. in the United States.

XINHUA NOTES LOWER U.S. UNEMPLOYMENT RATE

OW022154 Beijing XINHUA in English 2125 GMT 2 Jan 84

[Text] Washington, June 2 (XINHUA) -- The U.S. civilian unemployment rate declined from 7.2 percent in April to 7.5 percent in May, the lowest level since joblessness hit a post-depression peak rate of 10.7 percent in November 1982, according to a Labor Department report. The report issued yesterday said the May figures showed reduced jobless rates for all major categories -- adult men, adult women, teenagers, whites, blacks and hispanic workers. For the first time, more than half of all adult women in the country held jobs last month, and 50.5 percent of women aged 20 and older held jobs. Meanwhile, the May ratio for men was 74.8 percent.

The length of an average work-week at factories declined last month from 41.2 hours to 40.7 hours, suggesting that employers might be hiring more workers and reducing overtime. However, some U.S. economists said it could also be a sign that manufacturing output is falling.

FURTHER ON WANG BINGNAN-LED GROUP'S USSR VISIT

Meets With Kuznetsov

OW041455 Beijing XINHUA in English 1440 GMT 4 Jun 84

[Text] Moscow, June 4 (XINHUA) -- Vasily Kuznetsov, first vice-president of the Presidium of the Supreme Soviet of the USSR, received and had a friendly conversation here today with Wang Bingnan, president of the Chinese People's Association for Friendship With Foreign Countries.

Zinaida Kruglova, president of the Presidium of the Union of Societies for Friendship and Cultural Relations With Foreign Countries, and Yang Shouzheng, Chinese ambassador to the Soviet Union, were present on the occasion. Wang Bingnan is leading a delegation of the Chinese People's Association for Friendship With Foreign Countries and the Sino-Soviet Friendship Association that arrived here on May 25 for a good-will tour.

Concludes Visit

OW050302 Beijing XINHUA in English 0250 GMT 5 Jun 84

[Text] Moscow, June 4 (XINHUA) -- A friendship delegation from the Chinese-Soviet Friendship Society and the Chinese People's Association for Friendship With Foreign Countries led by its president Wang Bingnan left for home this evening after a visit to the Soviet Union.

In the morning, Zinaida Kruglova, chairman of the Union of Society for Friendship and Cultural Relations With Foreign Countries and Sergey Tikhvinskiy, first vice-chairman of the Soviet-Chinese Friendship Society, met and entertained the Chinese delegation. Vice Foreign Minister M.S. Kapitsa was present on the occasion. In the afternoon, Chinese Ambassador to the Soviet Union Yang Shouzheng gave a banquet in honor of President Wang Bingnan and other delegation members. Zinaida Kruglova and M.S. Kapitsa were present on invitation.

Wang Bingnan and his party arrived here on May 25 and visited Moscow, Leningrad, and Sochi during their stay.

USSR ASSERTS NUCLEAR WAR RISK 'SHARPLY INCREASED'

OW020718 Beijing XINHUA in English 0702 GMT 2 Jun 84

[Text] Moscow, June 1 (XINHUA) -- The Soviet Government warned today that the actual threat of an uncontrollable arms race has "sharply increased" the risk of the outbreak of a nuclear war. The warning was contained in a statement issued this evening on the May 22 joint declaration of the heads of state and government of Argentina, Greece, India, Mexico, Tanzania and Sweden which appealed to all nuclear powers to assume responsibility for protecting the world from the threat of nuclear war.

The Soviet Government statement described the viewpoints contained in the joint declaration as "identical" with the Soviet proposal on freezing nuclear arms. It said, "The Soviet leadership unconditionally subscribes to a viewpoint identical to that of the authors of the declaration: Nuclear war must not be allowed in any form." But as known to all, the arms race has been carried out mainly between the two superpowers, the Soviet Union and the United States, who possess more than 95 percent of the world's nuclear arsenal. Only a massive reduction of nuclear weapons by the two superpowers can reduce the danger of nuclear war.

ARTISTS DELEGATION RETURNS FROM DPRK VISIT

OW031312 Beijing XINHUA Domestic Service in Chinese 1601 GMT 1 Jun 84

[Text] Pyongyang, 1 Jun (XINHUA) -- A delegation from the Chinese Artists Association ended its visit to the Democratic People's Republic of Korea and left for home by airplane this afternoon. The delegation was led by Guan Shanyue, vice chairman of the Chinese Artists Association and a well-known traditional Chinese painter. The delegation was seen off at the airport by Chang Hyok-tae, chairman of the Central Committee of the Korean Artists League; and by Wu Liangpu, counsellor of the Chinese Embassy in Korea. Guan Shanyue and his party arrived in Korea on 18 May. They visited Pyongyang, Wonsan and Kaesong and held discussions and exchanged painting experience with their Korean counterparts.

DENG YINGCHAO, WANG ZHEN MEET JAPANESE GROUP

OW041950 Beijing XINHUA in English 1623 GMT 4 Jun 84

[Text] Beijing, June 4 (XINHUA) -- Deng Yingchao, chairman of the National Committee of the Chinese People's Political Consultative Conference, and Wang Zhen, honorary president of the China-Japan Friendship Association, met here this evening with the sixth Japanese Sokagakai delegation. The delegation is led by Sokagakai's honorary president, Daisaku Ikeda, and its president, Einosuke Akiya.

During their cordial conversation, Deng, also a member of the Political Bureau of the Chinese Communist Party Central Committee, praised Ikeda for his contribution to the cause of Sino-Japanese friendship. Ikeda told Deng that he had brought many young members of Sokagakai with him to China this time with the aim of promoting their understanding of the country. Deng praised him as doing a very good job. She said that China is now paying attention to training a new generation of supporters of the cause of Sino-Japanese friendship.

After the meeting, Wang presented a copy of the Buddhist scripture, "Lotus Sutra," in Sanskrit to Ikeda. Wang also gave a dinner in honor of the Japanese guests.

JAPAN-PRC ENGINEERING FIRM TO BE ESTABLISHED

OW040432 Tokyo KYODO in English 0350 GMT 4 Jun 84

[Text] Tokyo, June 4 KYODO -- Kobe Steel, Ltd has agreed to set up a joint nonferrous metal plant engineering company in China, the Japanese firm said Monday. A Kobe Steel official said the projected joint company would be founded in Zhuo County, Hebei Province, near Beijing, shortly after Chinese Government authorization was obtained. It will be capitalized at 3 million dollars, of which three-quarters will be put up by the China National Nonferrous Metal Industry Corporation's aluminum processing plant, and the balance by Kobe Steel and Shinsho Corp, a sales arm of Kobe Steel, the official said.

This will be the first Chinese-Japanese joint nonferrous metal and also engineering venture. Kobe Steel is a major steelmaker and also a major aluminum roller. The Chinese partner, the aluminum processing plant, is manufacturing 5,000 metric tons of aluminum foil and 30,000 tons of aluminum extrusions a year. The joint company will conduct engineering services chiefly in relation to aluminum rolling and other forms of processing, the official said. He said the Chinese aluminum processing plant has a plan to treble its production capacity, and the engineering services related would be conducted by the joint company as its first job.

RADIO BEIJING ON VIETNAM'S ROLE IN KAMPUCHEA

OW011237 Beijing in Vietnamese to Vietnam 1400 GMT 30 May 84

[Unattributed talk: "Vietnamese Authorities' Colonialist Behavior in Kampuchea"]

[Excerpts] Along with their military occupation of Kampuchea, the Vietnamese authorities have a plan of massive immigration into Kampuchea in an attempt to colonize Kampuchea and materialize their dream of annexing the country. It has been reported that their immigration program was started as early as 1979. In the beginning the immigrants were sent to areas along the Kampuchea-Vietnam border and provinces east of the Mekong River. Next they were sent to areas around the Tonle Sap and Battambang, a granary in Kampuchea's hinterland, and rich areas around Phnom Penh. Currently the number of Vietnamese immigrants in Kampuchea has reached 500,000, representing some 1/14th of the total Kampuchean population of the past; they are located in 12 provinces and cities, namely, Takeo, Svay Rieng, Ratanakiri, Mondolkiri, Kampot, Prey Veng, Kompong Cham, Battambang, Kandal, Siem Reap, Oddar, Mean Chay, and Phnom Penh. Most of the Vietnamese immigrants live along the banks of the Bassac and Mekong Rivers, around the Tonle Sap, in Battambang, and in areas rich with natural resources around Phnom Penh. It has been reported that the number of Vietnamese in Phnom Penh accounts for 70 percent of the city's population.

The Vietnamese authorities also collude with the Heng Samrin puppet administration through legal measures. They reserve special rights for the Vietnamese immigrants. The Vietnamese troops stationed in Phnom Penh have issued a communique forcing each Phnom Penh household to give food and lodging to one Vietnamese household. Vietnamese immigrants in Kampuchea may buy Kampuchean food at prices lower than those applicable to local Kampucheans. They may also trade freely while all kinds of restrictions are imposed on Kampucheans. Those Kampucheans who show dissatisfaction with the Vietnamese are severely punished.

To suppress the Kampuchean people's opposition, the Vietnamese authorities have driven thousands and tens of thousands of Kampucheans into strategic hamlets while setting up many so-called development hamlets. In these hamlets they have adopted their sinister policy of mixed living. Under this policy, the Kampuchean people are divided into many groups living with the Vietnamese at the ratio of 100 Kampuchean households to 20 Vietnamese households; thus, the Vietnamese represent 20 percent of the Kampuchean population.

Another sinister measure of the Vietnamese authorities to bolster their Vietnamization plan in Kampuchea is to force officials of the Phnom Penh puppet administration and Kampuchean youths to marry Vietnamese women and to force Kampuchean women to have relations with Vietnamese soldiers to achieve national homogeneity. They also open Vietnamese courses in Kampuchean schools, force Kampucheans to learn Vietnamese, and send thousands of Kampucheans to Hanoi to continue what they call higher education, to put them through an education which enslaves them.

All of the aforementioned measures of the Vietnamese authorities are aimed at accelerating a demographic change in Kampuchean's population, Vietnamizing Kampuchea with military force, and turning Kampuchea into a Vietnamese colony. Their arrogant acts have met with strong indignation and opposition by the Kampuchean people. Their plot to annex Kampuchea will certainly fail.

THAI MINISTER ON ASEAN'S VIEW OF KAMPUCHEA

OW041834 Beijing XINHUA in English 1613 GMT 4 Jun 84

[Text] Bangkok, June 4 (XINHUA) -- Thai Foreign Minister Sitthi Sawetsila said today Association of Southeast Asian Nations (ASEAN) holds an unchanged position on Kampuchea but is ready at any time to hold dialogues with Hanoi on Kampuchea in line with the United Nations resolutions. ASEAN has insisted on a political solution of the Kampuchean problem including a complete Vietnamese troops withdrawal and self-determination of the internal affairs by the Kampucheans themselves.

The ASEAN position is in conformity with the UN resolutions on Kampuchea passed in the last few years.

Speaking to reporters upon his return from an African tour, Sitthi said he had not heard of the recent statement by Vietnamese Foreign Minister Nguyen Co Thach to Australian reporters that ASEAN is ready to hold dialogues with Hanoi on the Kampuchean issue. Australian Foreign Minister Bill Hayden, who made a one-day stopover here after his Moscow visit, described at a press conference this afternoon the Vietnamese statement as a "unilateral declaration." Sitthi, said ASEAN will first convene a meeting for consultations and discussions if it is going to hold dialogues with Vietnam on the Kampuchean issue. Sitthi returned home this morning from a 10-day visit to Egypt and Kenya. He said the two African nations both supported the ASEAN position on the Kampuchean problem. He had discussed with Egyptian leaders Mid-East affairs, Iran-Iraq war and sought support for Thai efforts to become member of the United Nations Security Council, he said, adding, Egypt has consented a complete support and Kenya has agreed to consider the matter.

JIANGSU GOVERNOR MEETS AUSTRALIA'S HAWKE

OW311846 Beijing XINHUA in English 1643 GMT 31 May 84

[Text] Canberra, May 31 (XINHUA) -- The Australian Prime Minister Robert Hawke met the visiting Governor of China's Jiangsu Province Gu Xiulian here today. Hawke said that since the visit to Australia by Chinese Premier Zhao Ziyang in April last year, relations between Australia and China have further developed, particularly in the fields of agriculture and the cooperation between the two countries' iron and steel industries. He said Australia would do its best to further develop the relations.

Gu Xiulian expressed her thanks for the warm welcome accorded her and her delegation by Australian Federal and State Governments. She said Jiangsu Province would like to make its contributions to the development of relations between the two countries. The Jiangsu goodwill delegation led by Gu Xiulian arrived here yesterday for a visit at the invitation of the Victorian State Government, which has a sister-relationship with Jiangsu.

RADIO BEIJING ON SOVIET ATTACK IN AFGHANISTAN

OW041322 Beijing Domestic Service in Mandarin 1150 GMT 1 Jun 84

[Talk from "International Current Events" program: "The Soviet Aggressor Troops Will Suffer Their Seventh Defeat"]

[Text] The Afghan guerrillas in the Panjsher Valley are experiencing a rigorous test of strength with the Soviet aggressor troops. Since 21 April the Soviet aggressor troops have launched an all-out attack on the guerrillas in the valley. Glaring like a tiger eyeing its prey, the Soviet aggressor troops are attempting to wipe out the Afghan guerrillas in the valley. However, they have met with an unprecedentedly tenacious resistance by the Afghan guerrillas in the past month or so. The fighting still continues.

Since their invasion of Afghanistan at the end of December 1979, the Soviet aggressor troops launched six large-scale attacks on the guerrillas in the Panjsher Valley and suffered defeat in all these attacks. Their seventh attack, launched on 21 April, is the largest. The Soviet aggressor troops called out 200 aircraft to carry out wanton and indiscriminate bombing in the valley. On 27 April, 6 days after the attack was launched, 20,000 Soviet aggressor and Karmal government troops, as well as 500 tanks, armored personnel carriers and other vehicles were sent into the valley. Moreover, for the first time several thousand paratroopers were dispatched into the valley.

Why have so many Soviet aggressor troops been thrown into this battle? And why are they so truculent? To put it in a nutshell, first, it is because of the strategic importance of the Panjsher Valley; second, the valley is one of the Afghan guerrillas' important bases; and third, after failing to capture the valley after six large-scale offensives, the Soviet aggressor troops have flown into a rage motivated by shame.

The Panjsher Valley, 110 kilometers long, as about 80 kilometers north of the Afghan capital of Kabul where the headquarters of the Soviet aggressor troops is located. There are nearly 80,000 people living in the valley, where Masud's force, one of the main Afghan guerrilla forces, is headquartered. Masud's forces, numbering about 5,000 to 10,000, often make surprise attacks on enemy troops, posing a great threat to Kabul.

The Panjsher guerrillas can sabotage the main communication line from Kabul to the Soviet Union and attack Bagram, the biggest Soviet air base in Afghanistan. There is only one road in the Panjsher Valley; on one side of the road is a steep cliff, and on the other side rushing waters. It is easy for the Afghan guerrillas to launch an attack from the valley and to defend themselves there. However, it is very difficult for Soviet mechanized troops to operate in the valley where they are liable to be attacked by surprise. Since their invasion of Afghanistan, the Soviet aggressor troops had attacked the valley six times and had been defeated as many times. To consolidate their occupation of Afghanistan, the Soviet aggressor troops have recently launched the largest-scale attack on the valley in an attempt to pull a thorn from their side.

The Soviet aggressor troops are so presumptuous because they are superior in numbers and have advanced weapons. However, they have failed to learn a lesson from their six previous defeats. It seems impossible for them to really understand the reasons for their previous defeats.

The Soviet invasion of Afghanistan has aroused the hatred of the entire Afghan nation. There are now thousands of guerrillas hiding in the Panjsher Valley; even if there were only a few of them left there, they would still fight to the finish. The flames of hatred are raging everywhere in Afghanistan. Moreover, the fighting skills of the Panjsher Valley guerrillas have improved with each passing day.

The tactics used by Masud's guerrillas are flexible. In the face of the large-scale enemy attack, the guerrillas stay clear of the enemy's main force and strike at his weak points, throwing the enemy into passivity. Thus, Masud's guerrillas have foiled the enemy's wild schemes.

Before the Soviet aggressor troops launched their seventh large-scale offensive, they plotted to split and disintegrate Masud's guerrillas. However, their sinister plot went bankrupt. Then, they launched their offensive. Detecting the moves of the enemy, the guerrillas had been preparing to fight the enemy since mid-March. They had helped a large number of the valley's inhabitants to move to the safer zones in remote mountainous areas, and then destroyed the (Matak) Bridge on the (Goban) River on the evening of 15 April. They also cut off the Salang Highway southwest of the Panjsher Valley, and mined every pass leading to the valley. By the time the Soviet aggressor troops started their offensive, Afghan guerrillas in various localities had united as one and joined forces to fight the enemy. (Hikemadiyar), vice president of the Islamic Alliance of Afghan Mojahedin, personally led the guerrillas on the frontier near the valley and fiercely attacked the Soviet military vehicles on their way to the valley, particularly those with military supplies. Thousands of guerrilla soldiers of various detachments closely coordinated with one another in fighting. In areas along the Salang Highway, guerrillas set up blockades to cut the Soviet lines of communications leading to Kabul, destroyed a number of bridges on the (Goban) River, and blocked all the passes leading to the valley. The guerrillas were putting up still resistance to the enemy offensive.

Although the Soviet planes had destroyed more than 100 villages, and killed over 1,000 inhabitants, the Soviet aggressors themselves suffered tremendous losses. According to incomplete statistics, the Afghan guerrillas had killed and wounded about 1,500 Soviet and Karmal-regime soldiers after one month of fighting. In addition, about 900 Karmal-regime soldiers had surrendered to the guerrillas. The guerrillas also destroyed dozens of Soviet tanks, armored cars and other vehicles, and shot down several Soviet planes. Recently guerrilla fighters shot down a Soviet helicopter near the (Pandalabu) Valley, north of the Panjsher Valley, killing the high-ranking Soviet Army officer and five technicians on board.

At present the Afghan guerrillas are continuously putting up resistance against the offensive launched by the Soviet aggressor troops. They had effectively controlled the Soviet major lines of communications leading to Kabul. The aggressor troops had to use air transport to move their military supplies.

More than four years have passed since the Soviet occupation of Afghanistan. The Afghan guerrillas are becoming stronger and stronger as they fight the Soviet aggressor troops. The Afghan guerrillas, who now number 100,000, control about 80 percent of the nation's rural areas and mountains. The Soviet aggressor troops would never be able to destroy the Afghan people's determination to safeguard their national independence, even if the Soviet aggressor troops launch a large-scale offensive against the Panjsher Valley or against other guerrilla base areas. During the intense trial of strength in the Panjsher Valley, what awaits the Soviet aggressors is their seventh defeat.

FURTHER ON ZHAO ZIYANG'S WEST EUROPE VISIT

Hosts Reception

OW022356 Beijing XINHUA in English 2349 GMT 2 Jun 84

[Text] Paris, June 2 (XINHUA) -- Premier Zhao Ziyang held a farewell reception at the Chinese Embassy here this evening on the eve of ending his official visit to France. French President Francois Mitterrand attended the reception. This was his second visit to the Chinese Embassy this year, the last being in January when he was there for a party celebrating the twentieth anniversary of the establishment of Sino-French diplomatic relations. Premier Zhao greeted the president at the entrance of the embassy and they had a friendly conversation during the reception.

Present were over 400 guests including French Prime Minister Pierre Mauroy, President of the Senate Alain Poher, Minister of External Relations Claude Cheysson, Industry and Research Minister Laurent Fabius, Agriculture Minister Michel Rocard, other senior government officials and Chief of Staff of the Armed Forces General Jeannou Lacaze.

Invitation to Li Xiannian

OW030322 Beijing XINHUA in English 0313 GMT 3 Jun 84

[Text] Paris, June 2 (XINHUA) -- French President Francois Mitterrand today reiterated his invitation to Chinese President Li Xiannian to visit France. During a farewell reception given by visiting Chinese Premier Zhao Ziyang at the Chinese Embassy here this evening, Mitterrand told Zhao that he welcomes President Li to visit France. Mitterrand's invitation was first officially made last December. During the reception, Mitterrand and Zhao had a friendly conversation.

After the reception, the Chinese premier met with representatives of the local Chinese communities and posed for pictures with them. This afternoon, Zhao toured the Loire Valley, a famous scenic resort in the country.

Visits Lille

OW031248 Beijing XINHUA in English 1239 GMT 3 Jun 84

[Text] Lille, June 3 (XINHUA) -- Chinese Premier Zhao Ziyang this morning flew into Lille, an industrial city in north France, to continue his friendly tour of France. On his arrival at the airport, Premier Zhao was warmly welcomed by his French counterpart Premier Pierre Mauroy, who is also the mayor of Lille. The band played the national anthems of the two countries, and then the two premiers reviewed a guard of honor.

Premier Zhao was accompanied to Lille by French Secretary of State in charge of sea transport Guy Lengagne. In the company of Mauroy, Premier Zhao visited the command and control center and the coach repair shop of the city's automatic light metro. The metro, the world's first wholly automatic subway, was put to use in May 1983 and has now 13.3 km open to traffic with 18 stations. The unmanned trains there run at a speed of 60-80 km per hour. The Chinese premier asked a number of questions about the operation and performance of the subway. He and his party also took a ride in the train which brought them to the station Republique, where they toured a number of installations and facilities.

Holds Talks

OW031319 Beijing XINHUA in English 1306 GMT 3 Jun 84

[Text] Lille, France, June 3 (XINHUA) -- Chinese Premier Zhao Ziyang and his French counterpart Pierre Mauroy met in Lille, northern France, this morning for talks on ways to further enhance relations between the two countries. An informed Chinese source disclosed that the two leaders had an earnest and thorough discussion, mainly on cooperation in the fields of electronic communication and nuclear energy on the basis of the agreement and memorandum signed between the two countries and they reached an identity of views on the matters discussed.

Chinese State Councillor Zhang Jingfu, Vice Minister of Foreign Economic Relations and Trade Jia Shi and Chinese Ambassador Cao Keqiang; Director of the French Prime Minister's Office Michel Delebarre, Foreign Affairs Counsellor to the Prime Minister Francis Garcia and French Ambassador to China Charles Malo, were present at the talks. The talks were held one and a half hours after the Chinese premier's arrival from Paris for a brief visit to this major city in northern France. Mauroy, who is also mayor of the city, greeted the Chinese leader upon his arrival. In his company, Premier Zhao saw the city's automatic metro, which is said to be the most advanced of the kind in the world today.

After their talks, Prime Minister Mauroy presented a medal of honor of the city to him at a party in the town hall attended by hundreds of people. Later on, the French prime minister gave a luncheon for Zhao, who is leaving for Brussels this afternoon to continue his West European tour.

Arrives in Belgium

OW031508 Beijing XINHUA in English 1446 GMT 3 Jun 84

[Text] Brussels, June 3 (XINHUA) -- Chinese Premier Zhao Ziyang arrived here by special plane from France this afternoon for an official friendship visit to Belgium and the European Community (EC) at the invitation of Belgian Prime Minister Wilfried Martens and EC Commission President Gaston Thorn respectively. Belgium was the second leg of Zhao's current tour of six European countries and the EC in pursuit of "friendship, cooperation and peace."

The Chinese premier and his party were warmly greeted at the airport by Minister of the Brussels region Paul Hatry, Belgian Ambassador to China Roger Denorme, Chief of Protocol of the Belgian Foreign Ministry Vicomte Georges Vilain XIV, and senior officials of the EC Commission, who walked up to the rampside to shake hands with Zhao. Zhang Shu, Chinese ambassador to Belgium and head of the Chinese mission to the EC, and representatives of the Chinese residents and Chinese students in Belgium were also present welcoming Premier Zhao.

In a written statement distributed at the airport, Premier Zhao said "China and Belgium have many interests in common." He added the friendship between the peoples of the two countries has grown steadily and their political and economic cooperation has developed smoothly in recently years. He expressed the hope that his talks with Belgian leaders and his contacts with friends from various circles will help open up new areas of bilateral cooperation and enhance Sino-Belgian friendship.

With motors in front, [as received] Premier Zhao was then driven to the Chateau de Stuyvenberg, the state guesthouse in the center of Brussels where he was to stay.

This is the first visit by a head of the Chinese Government to Belgium and the European Community since the diplomatic relations were established between China and Belgium in 1971, and between China and the community in 1975. During his stay here, the Chinese premier will hold talks with the Belgian prime minister and the EC Commission president on separate occasions on major international issues and bilateral relations.

An official welcoming ceremony will take place at the Palace of Egmont tomorrow morning.

Attending Welcome Ceremony

OW040956 Beijing XINHUA in English 0930 GMT 4 Jun 84

[Text] Brussels, June 4 (XINHUA) -- Chinese Premier Zhao Ziyang, who arrived here yesterday afternoon for an official visit as part of his West European tour, was greeted with a red-carpet welcome at an official ceremony here this morning. The ceremony, which took place in the courtyard of the Egmont Palace in downtown Brussels, was presided over by Belgian Prime Minister Wilfried Martens. The Chinese leader arrived at the palace at 9:15 a.m. local time in the morning breeze, with the Chinese and Belgian national flags fluttering on top of the palace. Martens greeted him at the entrance to the courtyard. "Welcome to you," he said.

The Chinese leader expressed his thanks and introduced members of his entourage to his host, including State Councillor Zhang Jingfu, Deputy Secretary-General Chen Chu, Vice Foreign Minister Qiang Qichen, Vice Minister of Foreign Economic Relations and Trade Jia Shi and Vice Minister of Public Security Tao Siju.

Then the two leaders walked along a ten-meter-long red carpet and stepped on the reviewing stand. After a military band played the Chinese and Belgian national anthems, Zhao, in the company of Martens, reviewed a guard of honor, who presented arms in salute. After that, Martens introduced to the Chinese leader members of his cabinet, including Vice Premier and Minister of Justice and Institutional Reforms Jean Gol, Vice Premier and Minister of Finance and Foreign Trade Willy de Clercq and Vice Premier and Minister of the Interior Charles-Ferdinand Nothomb, and Minister of External Relations Leo Tindemans. The ceremony was followed by a brief tete-a-tete meeting between the two leaders, after which they will be joined by their aides for official talks on international and bilateral issues.

King Hosts Luncheon

OW041456 Beijing XINHUA in English 1437 GMT 4 Jun 84

[Text] Brussels, June 4 (XINHUA) -- Belgian King Baudouin met visiting Chinese Premier Zhao Ziyang and had a friendly conversation with him at the Royal Palace of Laeken here at noon today. Later, the Belgian king and Queen Fabiola hosted a luncheon in honor of the Chinese premier and his party. Present at the luncheon were Prince Albert and Princess Paola.

Invited to the luncheon were Zhang Jingfu, state councillor and minister in charge of the State Economic Commission; Chen Chu, deputy secretary-general of the State Council; Qian Qichen, vice minister of foreign affairs; Jia Shi, vice minister of foreign economic relations and trade; Tao Siju, vice minister of public security and Zhang Shu, Chinese ambassador to Belgium. Also present were Wilfried Martens, Belgian prime minister; Jean Gol, vice premier and minister of justice and institutional reforms; Charles-Ferdinand Nothomb, vice premier and minister of the interior; Leo Tindemans, minister of external relations; Mark Eyskens, minister of economic affairs and Roger Denorme, Belgian ambassador to China.

Talks With Prime Minister

OWO41540 Beijing XINHUA in English 1525 GMT 4 Jun 84

[Text] Brussels, June 4 (XINHUA) -- Chinese Premier Zhao Ziyang today invited Belgian Prime Minister Wilfried Martens to visit China and the latter accepted the invitation with pleasure. This was announced after the two leaders had talks at the Palace of Egmont here this morning. The Chinese premier is now on an official visit to Belgium.

Chinese sources said that their talks covered international and bilateral issues of mutual concern. [Beijing XINHUA Domestic Service in Chinese at 1515 GMT on 4 June in its report of the talks between Zhao and Martens renders this passage as follows: "Chinese sources said that their talks, which were held under a cordial and friendly atmosphere, covered international and bilateral issues of mutual concern."]

During the talks, Premier Zhao spoke highly of the Belgian Government's policy of attaching importance to the development of economic cooperation with the Asian-Pacific region, and especially with China. He pointed out that the economic development of this region is full of hope. It depends first of all on the joint efforts of the countries in this region, but cooperation with Europe is also necessary. Strengthening cooperation between China and Western Europe is beneficial to both sides and also conducive to world peace and stability, he stressed.

The two leaders expressed satisfaction over the smooth exchanges between the two countries in various fields over the past 13 years since the establishment of their diplomatic relations. Zhao Ziyang praised Belgium for having taken the lead among West European countries in developing economic relations with China. He also expressed the hope that the Sino-Belgian relations will continue to develop in depth and breadth.

Present at the talks on the Chinese side were State Councillor and Minister in charge of the State Economic Commission Zhang Jingfu, Deputy Secretary-General of the State Council Chen Chu, Chinese Ambassador to Belgium Zhang Shu and other officials. [The Beijing XINHUA Domestic version in Chinese renders this passage as follows: "Present at the talks on the Chinese side were State Councillor and Minister in charge of the State Economic Commission Zhang Jingfu, Deputy Secretary-General of the State Council Chen Chu, Vice Foreign Minister Qian Qichen, Vice Minister of Foreign Economic Relations and Trade Jia Shi, Vice Minister of Public Security Tao Siju and Chinese Ambassador to Belgium Zhang Shu."]

Those present on the Belgian side were Vice Premier and Minister of Justice and Institutional Reforms Jean Gol, Vice Premier and Minister of Finance and Foreign Trade Willy de Clerq, Vice Premier and Minister of the Interior Charles-Ferdinand Nothomb, Minister of External Relations Leo Tindemans, and Minister of Economic Affairs Mark Eyskens.

An agreement on the protection of investment was signed after the talks by Zhang Jingfu and Willy de Clerq on behalf of their governments in the presence of Premier Zhao and Prime Minister Martens. Then the hosts and guests drank toasts to congratulate the event.

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WESTERN EUROPE

Visits Waterloo

OW050805 Beijing XINHUA Domestic Service in Chinese 0200 GMT 4 Jun 84

[By reporter Shao Tong]

[Excerpts] Brussels, 3 Jun (XINHUA) -- This afternoon Premier Zhao Ziyang visited Waterloo, a famous old battlefield in European history located 18 kilometers south of Belgian capital Brussels. During the visit a foreign reporter asked Premier Zhao about his impression. Premier Zhao said: Times have changed. Today Belgium, France, Germany and Britain are friendly countries. The era of the Battle of Waterloo is gone forever. Then Premier Zhao visited a nearby wax museum before he returned to Brussels. In the evening Premier Zhao received the representatives of Overseas Chines, the representatives of Chinese students studying there and the embassy staff separately at the Chinese Embassy in Belgium. He held cordial conversations with them and group photographs were taken to mark the occasion.

Meets Mayor of Brussels

OW041718 Beijing XINHUA in English 1704 GMT 4 Jun 84

[Text] Brussels, June 4 (XINHUA) -- Visiting Chinese Premier Zhao Ziyang met Mayor of Brussels Herve Brouhon at the townhall here this afternoon. The mayor introduced to the premier members of the City Council and said that China is known to the people of Brussels and the whole of Belgium not only for its long history and age-old culture, but also for its important role in the world affairs. He told the premier that "we are glad to see that China has opened its door to the outside world and it desires to increase exchanges with other countries in the fields of culture, industry and trade." He expressed the belief that the premier's visit will enable the traditional friendship between the people of the two countries to continue and develop further.

Premier Zhao noted in his reply that the city of Brussels, the capital of Belgium and the site of the headquarters of the European Community Commission and many international organizations, is playing an important role in the European and world affairs. The city has also become the center of Belgium in its economic, trade, scientific and technological, and cultural exchanges with China, he said. He expressed the hope that his visit will push Sino-Belgian friendly cooperation to a new high. The Chinese premier signed the visitors' book with the words "May the friendly relations between China and Belgium and between their people grow steadily." Then the premier and his party joined the hosts at a reception.

UK ENGINEERS DELEGATION ARRIVES FOR VISIT

OW041038 Beijing XINHUA in English 0902 GMT 4 Jun 84

[Text] Beijing, June 4 (XINHUA) -- A four-member delegation from the British Fellowship of Engineering arrived here yesterday for a two-week visit to China. The delegation was led by Lord Caldecote, president of the British organization. It came at the invitation of Zhou Peiyuan, president of the China Association for Science and Technology. During its stay, the engineers will hold seminars with Chinese scientists on advanced manufacturing technology, telecommunications technology, and civil and tunnel engineering. They will also discuss further promoting cooperation in these fields.

FURTHER ON KIM IL-SONG'S EAST EUROPE VISIT

Attends Berlin Rally

OW021252 Beijing XINHUA in English 0903 GMT 2 Jun 84

[Text] Berlin, June 1 (XINHUA) -- Leader of the German Democratic Republic (GDR) Erich Honecker told a rally here today that GDR supports the proposal put forth by the Democratic People's Republic of Korea (DPRK) for tripartite talks with the United States and South Korea. The rally attended by several thousand Berlin workers was held to welcome visiting DPRK's President Kim Il-song and the party and government delegation he leads.

Honecker declared, "We are firmly at the side of the Korean people in their struggle for an immediate and complete withdrawal of U.S. troops from South Korea and a peaceful democratic reunification of Korea free from outside interference. We welcome the January 10 initiative of People's Korea for holding tripartite talks between the People's Korea, the United States and South Korea, in order to make the 1953 armistice : peace treaty between People's Korea and the U.S. [words indistinct] and to conclude a non-aggression treaty between People's Korea and South Korea."

In his speech, Kim Il-song praised the signing of the friendship and cooperation treaty between GDR and DPRK as a new impetus to the further consolidation and development of the traditional relations between the two countries. The deployment of new U.S. medium-range nuclear weapons in Federal Germany and other West European countries has gravely threatened peace and security in Europe and the world as a whole, he said. On the situation on the Korean peninsula, Kim Il-song said, "To preserve peace and security on the Korean peninsula is directly connected with efforts to ease international tension and avert the danger of a new world war." "The present situation requires joint struggle by the peoples of all continents and all countries in order to thwart the imperialists' aggressive and bellicose schemes and protect world peace and security," he said.

Honecker and Kim Il-song concluded their talks here today. It was reported that the two leaders shared identical views on bilateral relations and the international situation.

Arrives in Czechoslovakia

OW041954 Beijing XINHUA in English 1834 GMT 4 Jun 84

[Text] Prague, June 4 (XINHUA) -- Korean leader Kim Il-song arrived here today by special train to begin his first visit to Czechoslovakia since 1956. At a ceremony at the gate of the railway station, Kim was given a warm welcome by Czechoslovak leaders including President Gustav Husak and Premier Lubomir Strougal. Korean Premier Kang Song-san and other Korean party and Government officials accompanied Kim Il-song on the visit. Prior to this, Kim Il-song visited the Soviet Union, Poland, and Democratic Germany.

WOMEN'S DELEGATION CONCLUDES ROMANIAN VISIT

OW250751 Beijing XINHUA in English 0703 GMT 25 May 84

[Text] Bucharest, May 24 (XINHUA) -- The Chinese women's delegation led by Kang Keqing, chairman of the All-China Women's Federation and vice-chairman of the Chinese People's Political Consultative Conference, left here for home today after a five-day goodwill visit. Maria Bobu, vice-chairman of the Romanian National Women's Council, was among those seeing them off at the airport.

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Speaking to the press in the guesthouse before their departure, Kang Keqing praised the Romanian women for their important role in the social and economic fields in their country. She stressed that all members of the delegation were deeply impressed by the fact that Sino-Romanian friendship had taken root in the hearts of the two peoples. Earlier, Lina Ciobanu, member of the Romanian Executive Political Committee and of the Secretariat of the Central Committee of the Romanian Communist Party, received and had a cordial conversation with the delegation on further strengthening the friendship and mutual understanding between the women and peoples of the two countries. A banquet in honor of the delegation was given by the Romanian National Council yesterday evening, and a luncheon was given by Chinese Charge d'Affaires ad interim Kang Jimin today to mark the conclusion of the delegation's visit.

ROMANIAN INTERIOR MINISTER HOMOSTEAN VISITS PRC

Meets Wan Li

OW281329 Beijing XINHUA in English 1250 GMT 28 May 84

[Text] Beijing, May 28 (XINHUA) -- Chinese Vice Premier Wan Li met a delegation from the Romanian Ministry of Internal Affairs led by Minister George Homostean in the Great Hall of the People here this afternoon. Wan said it was necessary for the public security departments of the two countries to exchange views and learn from each other. The delegation's visit to China would also promote the development of the friendly relations between China and Romania, he added. Liu Fuzhi, minister of public security, was present at the meeting.

Talks With Hu Yaobang

OW291838 Beijing XINHUA in English 1640 GMT 29 May 84

[Text] Beijing, May 29 (XINHUA) -- General Secretary Hu Yaobang of the Chinese Communist Party Central Committee this afternoon met and had a cordial conversation with George Homostean, Romanian minister of internal affairs, and the delegation headed by him. Homostean conveyed to Hu Yaobang the warm regards and best wishes of Nicolae Ceausescu, Romanian Communist Party general secretary and president. Hu expressed thanks for this. Homostean said that tremendous changes had taken place in China since his last visit to China in 1980. He found fast development in industrial and farm production.

Hu Yaobang asked the Romanian minister to convey his regards to Ceausescu. He also wished the Romanian people still greater successes. Present on the occasion were Liu Fuzhi, Chinese minister of public security; Ling Yu, minister of state security, and Angelo Miculescu, Romanian ambassador to China. The Romanian guests left here for home this evening.

LI SHUZHENG MEETS WITH ROMANIAN DELEGATION

OW042010 Beijing XINHUA in English 1642 GMT 4 Jun 84

[Text] Beijing, June 4 (XINHUA) -- Li Shuzheng, alternate member of the Chinese Communist Party Central Committee and deputy head of its International Liaison Department, met here this evening with Mihai Balaluta, lecturer of the Romanian Supreme Council of Economic and Social Development, and Nicolae Mancas, an instructor of the Foreign Relations Department of the Romanian Communist Party Central Committee.

'TEXT' OF 1984 ECONOMIC, SOCIAL DEVELOPMENT PLAN

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[Text] Beijing, June 1 (XINHUA) -- Following is the full text of the report on the draft 1984 plan for national economic and social development delivered by Song Ping, state councillor and minister in charge of the State Planning Commission, at the Second Session of the Sixth National People's Congress on May 16, 1984, and endorsed by the congress on May 31, 1984:

Report on the Draft 1984 Plan for National
Economic and Social Development

(Delivered at the Second Session of the Sixth
National People's Congress on May 16, 1984)

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of the State Planning Commission

Fellow deputies, in November 1983, the State Council drew up the draft 1984 plan for national economic and social development according to the guidelines set forth by the First Session of the Sixth National People's Congress and in the light of the requirements of the Sixth Five-Year Plan (1981-85) and the conditions obtaining in our country. On behalf of the State Council, I now submit for examination and approval by this session a report on the implementation of the 1983 plan and the arrangements for the 1984 plan.

1. Implementation of the 1983 Plan

Nineteen eighty-three was a year of hard work by all localities and departments to create a new situation in every field of socialist modernization. It was a year of notable achievements in national economic and social development, chief among which were the following: agriculture and industry, both light and heavy, grew significantly. There were greater results in key construction projects and the people's standard of living further improved. The 1985 targets set in the Sixth Five-Year Plan for the total value of industrial and agricultural output and for the output of grain, cotton, coal, steel and some other major products, together with some of the 1985 targets for improvement in the standard of living, were reached -- and, in certain cases, surpassed -- two years ahead of schedule. To be more specific, I should like to cite the following 10 points.

1. An extraordinarily rich harvest was gathered of grain and cotton. Grain output in 1983 went up by 32.78 million tons over 1982, representing an increase of 9.2 per cent, to reach a total of 387.28 million tons. This came on top of an increase of 29.5 million tons in the preceding year. After three consecutive years of bumper harvests, cotton output increased by 1,039,000 tons over 1982 -- a rise of 28.9 per cent -- with total output reaching 4,637,000 tons. This enormous increase in grain and cotton production was unprecedented in China's history. In the two decades from 1959 to 1978, grain output rose at an average annual rate of only five million tons and cotton output at a rate of less than 10,000 tons, while the comparable figures for the five years from 1979 to 1983 were respectively 16.5 million tons and just under half a million tons. The achievements of 1979 and the following years reflect the great changes in agricultural production that have taken place since the Third Plenary Session of the party's Eleventh Central Committee in December 1978. Despite a drop in production of some cash crops due to readjustment of the acreage sown or to natural calamities, the total output value of agriculture in 1983 rose by 9.5 per cent compared

with the previous year. This was owing to the substantial increase in grain and cotton production, the rapid development of diversified undertakings and household sideline occupations in the rural areas, and the emergence of large numbers of specialized households, of different forms of economic associations and of enterprises in townships and towns. The entire rural economy is prospering and full of vitality.

2. The plan for increasing production of energy and economizing on its use was far surpassed, and new successes were scored in the production of raw and semi-finished materials. In 1983, coal output came to 715 million tons, up by 49 million tons or 7.4 per cent compared with 1982. This was the biggest increase in recent years. The upturn in the production of crude oil continued, with an output of 106 million tons or 3.95 million tons more than the preceding year. More than 500 million tons of new oil deposits were verified in the old oilfields of eastern China and adjacent areas. Thanks to the discovery of more oil and gas deposits, to our better understanding of the laws governing geological formations and oil-bearing strata and to higher technology in prospecting and exploitation, China's petroleum industry has entered a new period of development. As for the output of electricity, 351.4 billion kWh were generated in 1983, representing a 7.2 per cent increase over the previous year (the increase in hydro-electric power was 16.1 per cent). All these figures far exceeded the original plan. In 1983, the industrial sector saved over 18 million tons of standard coal in energy consumption, also surpassing the planned figure. Output of steel reached more than 40 million tons; of rolled steel, more than 30 million tons; of cement, more than 100 million tons. These accomplishments indicate the steady rise of the level of China's industrial production.

3. The textile and other light industries continued to grow. Since its rapid turn upward in 1982, heavy industry continued to maintain a high growth rate in the first half of 1983, but light industry grew at a much slower rate. We were worried that the excessive growth of the former might adversely affect the latter and, as a consequence, affect the market supply. The party's Central Committee and the State Council, however, urged the related departments to adopt remedial measures in good time, and after that, light industrial production caught up swiftly. Thus total output value of industry in 1983 showed an increase of 10.5 per cent over 1982 -- heavy industry rose by 12.4 per cent and light industry by 8.7 per cent. Most textile and other light industrial products registered a considerable increase in output. This was particularly true in durable consumer goods such as bicycles, TV sets, tape recorders and washing machines. The quality of a number of such products improved and there also were greater varieties and many new designs. More than 5,000 new varieties of products and upwards of 50,000 new designs were trial-produced in 1983.

4. The transport departments basically met the need for the transport of fuels, raw and semi-finished materials and other important materials, as well as passengers. Despite the fact that actual capacity was not adequate to meet objective needs, the railway, water transport, highway, civil aviation and postal and telecommunications departments fulfilled or overfulfilled their 1983 plans mainly by making the most of existing transport and communications facilities, improving dispatch and direction, bettering their operation and management and striving to tap every possible potential. The total volume of railway freight came to 1.16 billion tons, an increase of 4.4 per cent over the previous year; the total volume of freight by ships belonging to the Ministry of Communications was 158 million tons, an increase of 3.9 per cent; and the total volume of postal and telecommunications services increased by 9.1 per cent.

5. Better results were gained in controlling the scale of capital construction and undertaking more energy, transport and other key projects. To promote the steady advance of the national economy, the party's Central Committee and the State Council decided to put strict controls on the overall scale of capital construction and to concentrate appropriate financial and material resources on key construction projects.

The leaders of all provinces, municipalities, autonomous regions and related departments were asked to assume responsibility in carrying this out. This policy has proved fruitful. Investment in capital construction in 1983 was planned at 50.7 billion yuan. In the course of the year, however, as production of materials and equipment outstripped the plan, the State Council approved a variety of additional investment to meet the actual needs, so that the figure rose to 58 billion yuan. (The additional amount included mainly budgetary investment in energy and transport development, investment financed by some localities and departments themselves for increased housing for their workers and staff, and the investment for installation of more foreign equipment arriving under the import projects.) According to statistics, investment in 1983 came to 59.4 billion yuan, an increase of 3.9 billion yuan over the previous year. The actual figure was within the readjusted plan if that part of the investment originally not covered by the state plan is deducted.

Domestic investment for 1983 arranged directly under the state budget was 25.8 billion yuan, an increase of 6.6 billion yuan over the previous year. The money was used mainly for energy, transport and other key development projects. With more investment and support by the whole country, the scale and speed of construction of coal mines, oilfields, power stations, railways and harbours increased.

Because the principal leaders of the various localities and departments personally took charge of capital construction and were determined to curtail investment and discontinue projects outside the plan, projects carried out in 1983 with funds raised by the related localities, departments and enterprises themselves and via bank loans each dropped in total cost by nearly two billion yuan from the previous year.

Investment in equipment renewal and technical transformation of the existing enterprises and related work in 1983 came to 35.8 billion yuan, an increase of 6.8 billion yuan over the preceding year.

6. The market flourished and the volume of retail sales of all commodities grew. Because of sustained growth in industrial and agricultural production, commodity supplies increased. Total volume of retail sales in 1983 was 284.9 billion yuan, an increase of 10.9 per cent over the preceding year. Retail sales of foodstuffs, clothing, household articles and agricultural means of production all increased. Because more cotton cloth and synthetic polyester-cotton fabrics became available, coupons for purchase of cotton cloth were abolished starting in December 1983.

7. New progress was made in foreign trade. The total volume of import and export trade in 1983 reached 86 billion yuan, representing an increase of 19.4 per cent over 1982 after adjustment for fluctuations in prices and exchange rates. The proportion of primary products in the total volume of exports dropped somewhat, while that of manufactured goods rose by a certain margin. The huge amount of imported farm products began to decline as a result of the country's successive rich harvests, while the amount of imported rolled steel, timber, chemical fertilizer and some other raw and semi-finished materials increased considerably to meet the needs of modernization.

8. State revenues rose swiftly. State revenues in 1983 reached 121.1 billion yuan (excluding foreign loans), an 11.7 per cent increase (or 12.7 billion yuan) over the previous year. Quotas for all kinds of taxes were overfulfilled. So were revenue quotas from transport and communications services. In the main, revenue from industrial enterprises fulfilled the plan.

9. Scientific, educational, cultural and public health undertakings and physical culture continued to develop. In 1983, important results were gained in 5,400 research projects on agriculture, energy, transport and communications, the raw and semi-finished materials industry, use of imported technology and manufacture of complete sets of major

equipment, as well as on social development. As part of this research, 214 inventions and innovations were examined and approved by the appropriate central departments. Regular colleges and universities enrolled a total of 391,000 students in 1983, an increase of 76,000 over 1982; secondary vocational schools enrolled 478,000 students, an increase of 58,000. Adult higher education also developed vigorously, with 920,000 part-time or full-time students in TV, correspondence and evening universities. There were more successes in sports in 1983. Chinese sportsmen and sportswomen competing in international tournaments won 39 world championship titles.

10. The living standard of the people continued to rise. In 1983, the number of workers and staff members in state- and collectively-owned units rose by 2.34 million over 1982. The total payroll reached 93.46 billion yuan, 6 per cent above the preceding year. A survey of urban and rural family income showed the following: the annual per-capita income available for living expenses of families of workers and staff members rose by 6.4 per cent over 1982; the net annual per-capita income of peasant families rose by 14.7 per cent. Urban and rural savings deposits amounted to a total of 89.3 billion yuan at the end of 1983, a rise of 21.7 billion yuan over the end of 1982. Housing for workers and staff members amounting to more than 115 million square metres was completed in 1983, with more than 81 million square metres of the total built by state-owned units. Residential housing constructed by peasants totalled about 700 million square metres.

The achievements listed above were scored by the people of all nationalities who, under the leadership of the party's Central Committee, the State Council and the local party and government organizations, conscientiously worked in the spirit of the twelfth party congress and the First Session of the Sixth National People's Congress, resolutely implemented the policies formulated since the Third Plenary Session of the party's Eleventh Central Committee and continued to effectively carry out economic readjustment and the consolidation of enterprises and, in particular, extensive reforms in various fields.

Of course, while fully recognizing the excellent economic situation, we must be soberly aware that some problems deserving attention still exist in our present economic life. The major problems are:

First, improvement of economic results is relatively slow and the state still faces financial difficulties. The 1983 plan called for a 2 per cent cut in the costs of comparable products of state industrial enterprises compared with the previous year, but the actual reduction was only 0.2 per cent. There has been a general rise in the costs of capital construction projects, the construction of many projects has gone beyond schedule, and quite a few completed projects are not up to normal productive capacity when put into operation. All this has an adverse effect on state revenue. Besides, the state has raised the price subsidies for some domestic products, certain enterprises still suffer relatively large losses because of poor management, and some expenditures are not strictly controlled. As a result, the state has not yet overcome its financial difficulties. Because of the development of production and circulation, the enormous increase in expenditures for the purchase of farm products and for wages, bonuses and the like, plus more bank overdrafts and borrowing by state financial departments, more currency than necessary has been circulating on the market. The figure reached 53 billion yuan at the end of 1983, or 20.7 per cent more than in the corresponding period of 1982. In the country as a whole, prices of most daily necessities have remained stable. However, because in many regions more prices were set by negotiation, the prices of non-staple foodstuffs rose considerably in 1983 compared with 1982. For instance, the price of vegetables went up by 12.7 per cent; aquatic products by 13.4 per cent; and fruit by 14.7 per cent.

Second, there is still a heavy strain on energy and transport, and a growing shortage of such important raw materials and semi-finished goods as steel products, cement and timber. Because of insufficient electricity in many places, the productive capacity of a large number of enterprises has not been regularly utilized. The inadequate traffic capacity of some important railway sections holds up the transport of coal and certain other important materials. At coastal ports, it is not uncommon for loading and unloading of ships to be delayed and for goods to pile up waiting for transshipment.

Third, the mix of industrial products does not suit the changes in consumption pattern and the needs of the international market. The productive capacity for a number of quality, famous-brand, low-priced and readily marketable goods is insufficient, and consequently supply cannot keep up with demand. On the other hand, there is overproduction and overstocking of some poor-quality, high-priced and unwanted goods. Because of poor quality and low competitiveness, certain textile and other light industrial products and machinery and electrical equipment for export earn too little foreign exchange, causing heavy losses to us. All this reflects the need to further readjust the organizational structure of industrial enterprises and to further transform them technically.

Fourth, commodity circulation in the rural areas falls short of the needs of growth in production. At present, this inadequate circulation seriously impedes the purchase of farm products and the transport of industrial products to the countryside. It is therefore difficult for the peasants to sell their farm and sideline products and to purchase agricultural means of production. To solve the problem of commodity circulation rapidly and to improve services before and after the production process have become priorities in further increasing agricultural production.

The above-mentioned problems indicate that the various economic relations have still to be made harmonious and that the managerial system in many fields is still irrational. They dampen the initiative of the production units and of their workers and office staff, and hold back the growth of the productive forces and the improvement of economic results. We should seriously study these problems and solve them so as to ensure the sustained and healthy development of the economy.

II. Tasks and Main Targets Set by the 1984 Plan

In accordance with the basic tasks set in the Sixth Five-Year Plan and in the light of the problems existing in our current economic life, the main tasks for national economic and social development in 1984 are as follows: to continue readjusting, restructuring, consolidating and improving the economy, and especially to continue reforming the economic structure and implementing the policy of opening to the outside world; to further straighten out economic relations, and to enhance economic efficiency in various fields -- all in order to promote the harmonious and steady growth of the economy. Guided by the principle of ensuring the success of key production and construction projects while giving due consideration to ordinary ones, we must concentrate our necessary forces on the former. We must further stimulate the economy and improve the living standard of the people. At the same time, we must continue to control investment in fixed assets, guard against excessive accumulation of the consumption fund, maintain a basic balance between state revenues and expenditures and between credit receipts and payments, and keep prices basically stable.

In drafting the plan for 1984 we continued to adhere to the principle of ensuring steady growth and yet leaving some leeway, thus making it possible for the localities, departments and enterprises to overfulfil their own plans and enjoy a certain degree of manoeuvrability. We should work to avoid any big gaps in the state plan. The general outline of the 1984 plan is as follows:

The total output value of agriculture is to increase by 4 per cent.

The total output value of industry is to increase by 5 per cent.

The national income is to increase by 4.6 per cent.

State revenue is to be 128.75 billion yuan (excluding revenue in the form of foreign loans).

Investment in fixed assets is to be 94 billion yuan. Of this, investment in capital construction will be 65 billion yuan, and investment in equipment renewal and technical transformation, 29 billion.

The total volume of retail sales is to amount to 306 billion yuan.

The total volume of import and export trade is to reach 81.6 billion yuan.

Student enrollment in institutions of higher education is to total 448,000.

The following are the specific tasks and major targets for economic and social development in 1984:

1. Develop farming, forestry, animal husbandry, sideline occupations and fishery in an all-round way and vigorously promote commodity production in the rural areas.

In 1984, we plan to achieve an all-round growth in agricultural production. We will make further readjustments in its internal structure, improve the variety and quality of products and increase the percentage of marketable ones so as to provide more farm and sideline products needed by the urban and rural populations and by industry, as well as more and better goods for export.

The key to realizing these goals is to implement the provisions of the No 1 Document issued by the party's Central Committee in 1984. We should maintain and constantly improve the contract system in agriculture with remuneration linked to output and thereby promote specialization and commodity production and the overall sound growth of the rural economy. We should vigorously widen the application of new results in agricultural science and technology and all positive experiences in raising output, and substantially increase the supply of chemical fertilizers, insecticides and small and medium-sized farm implements and machines. We should introduce more flexible policies concerning forestry, animal husbandry and fishery and develop and protect the mountain and hill areas, grasslands and water resources. We must do more to plant trees, protect their growth and continue to prevent indiscriminate felling. We should give active guidance and support to the feed, food, building materials and small energy industries that are emerging in the countryside, and so promote the comprehensive growth of the rural economy.

To further stimulate the rural economy and develop commodity production, we should quicken the reform of the commodity circulation system in the countryside and organize it efficiently. At the same time, we should improve social services and satisfy the peasants needs for technologies, funds, supply and marketing facilities, storage and transport, and information.

2. Increase the production of coal, oil and electricity and bring about a steady growth of total industrial production on the basis of improved economic results.

We should try to produce more coal, oil and electricity in 1984, for this is the primary condition for the steady growth of industrial production as a whole. According to the plan, coal output is to reach 710-720 million tons. Of this, coal production under unified central planning will be 371-373 million tons. The output of crude oil is to be 108 million tons, and the output of electricity, 360 billion kWh. We will

strive to surpass these targets. Coal production must be closely linked with transport and we must achieve regional balance between production and marketing. To ensure the growth of production and construction across the country, we should work hard to produce more steel products, cement, acids, alkalis and other chemicals used as raw materials. We should constantly increase the production of textile and other light industrial products, particularly durable consumer goods liked by urban and rural residents.

Both light and heavy industries should stress improving economic results and, on this basis, achieve a realistic growth rate. We should work hard to improve the quality and mix of products, open new branches of production and develop new products. We should pay close attention to making more economical use of materials, particularly raw and semi-finished materials, and to saving energy. We should do our best to turn out more products needed by society while using a minimum of raw and semi-finished materials and as little energy as possible.

To fulfil the plan for industrial production in 1984, we should combine administrative means with economic means and strengthen the regulatory role of economic levers. In the present situation, special attention should be paid to two principles. First, the principle of ensuring the success of key projects while giving due consideration to ordinary ones. In the allocation of coal and electricity, we must guarantee the needs of key production projects. Proper arrangements should be made to meet production needs of other projects according to the possibilities of coal and electricity supply and conservation. In 1984, we will conduct experiments on the unified management and distribution of electricity first in the four power networks in northeast, north, east and central China, and the newly added electricity will be used mainly to meet the additional needs of key enterprises and key construction projects. Second, the principle of pricing products according to quality. In 1984, we will first apply this principle to a number of products from the machine-building, textile and light industries.

In transport, primary emphasis should be placed on hauling major materials allocated under the state plan. Effective measures should be taken to increase the traffic capacity of the busy sections of railway trunk lines and the handling capacity of goods in key coastal ports. To reduce the pressure on the railways, particular effort should be made to develop inland water and highway transport.

3. Continue to muster the necessary financial and material resources to build key construction projects, and maintain strict control over capital construction.

The total planned investment in capital construction for 1984 is 65 billion yuan. Of this, 32.3 billion yuan will come from state budgetary allocations, 14.96 billion yuan from investment by the various localities, departments and enterprises, 5.61 billion yuan from bank loans, 6.35 billion yuan from foreign investment, 2.15 billion yuan from a special fund for replacing oil consumption with coal consumption, and 3.63 billion yuan will come from other sources.

State budgetary investment in capital construction is 6.5 billion yuan more than in 1983. This additional investment will be used mainly for energy and transport projects, and an appropriate portion will be used to build industries turning out raw and semi-finished materials as well as to develop intellectual resources. Investment for other purposes generally will remain at the previous years level. These arrangements will not completely satisfy the needs of railway and other transport projects, and there is still a fairly large gap to be filled in meeting the needs of energy industries. However, we cannot invest more because we need to strike a balance in the use of financial and material resources. We therefore encourage the localities to invest as much money as possible in small and medium-sized energy and transport projects.

To keep capital construction planned for 1984 under control, we should continue the practice whereby leaders of the provinces, municipalities, autonomous regions and departments concerned assume full responsibility for projects within their jurisdictions. Funds for additional investment must be raised through readjustment within the total investment planned by the locality or department concerned. If it is necessary to receive state allocation of funds, the request should be submitted for approval by the State Council. In order to control capital construction projects financed by the localities, departments and enterprises themselves, the State Council has adopted a new regulation: In 1984, all locally-raised funds to be used for this purpose must be deposited in the Construction Bank. Funds deposited after July 1, 1984 cannot be withdrawn in that year but must be carried over for use in 1985. Thus, after a transition period of one or two years, it should become a rule that all funds accumulated by this method in one year will be used for capital construction in the next.

The state plan gives special consideration to construction in areas inhabited by minority nationalities. Control of capital construction in these areas in which locally-raised funds are used can, to an appropriate degree, be relaxed.

A major goal in capital construction in 1984 is to achieve notable results in shortening the construction cycle and reducing the cost while improving the quality of projects, and to unfailingly ensure that they are completed and commissioned on schedule and that they give economic results. Therefore, we should see to it that the various conditions and measures for construction are in place according to plan, and that there is effective dispatch of work during construction. We should improve designing and management of the various projects and prevent all waste. We should also bring about good results in reforming the managerial system for capital construction and for the building industry as a whole.

We should concentrate on the technical transformation of existing enterprises. Funds invested in equipment renewal and technical transformation should, above all, be used to reduce the consumption of energy and the use of raw and semi-finished materials, improve the quality and performance of products and increase the traffic-handling capacity of the poorer sections of our railways. We should strictly guard against undertaking, in the name of equipment renewal and technical transformation, unplanned capital construction or expanding the processing capacity for products already in excess supply.

4. Ensure adequate supplies for the market and keep prices basically stable.

Roughly speaking, in 1984 there can be a balance between purchasing power and the total amount of commodities available. It is of key importance that, as far as possible, the commodity mix should be suited to changing consumption patterns.

In order to ensure an adequate supply of goods, commercial departments should more effectively play the role of a bridge or transmission belt between production and consumption, undertake market surveys in order to make useful forecasts and, in light of changing consumption patterns, help the production departments make timely readjustments in the product mix so as to make products more readily marketable. We should make a point of understanding and keeping abreast of demand in the vast rural market and take active measures to supply the countryside with more and more consumer goods and means of production needed by the peasants. We should study the continuing readjustment of the policy on the purchase and sale of farm and sideline products, and strengthen the role of regulation by the market. We should strive to stimulate the interflow of commodities between town and country, reduce intermediate links, speed up commodity circulation and serve consumers better. While improving our work in running farm produce fairs in the cities, we should in a planned way improve the function of trade centres to better facilitate the flow of commodities.

In 1984 we should continue to strengthen price control and stress stabilization of the selling prices of such non-staple foodstuffs as basic vegetables and rationed pork, beef, mutton, eggs and ocean fish supplied to the big and medium-sized cities and the industrial and mining areas. We should provide guidelines for pricing and exercise control over prices at the trade fairs.

5. Further open to the outside world and actively expand economic and technical exchange with foreign countries.

In order to speed up China's socialist modernization, all localities and departments should, in conformity with the state policies and decrees, actively promote economic cooperation and technical exchange with foreign countries and should, in particular, take bigger strides in the use of foreign funds and the introduction of advanced technology from abroad.

We should arrange import and export trade in such a way as to promote domestic production and construction and raise economic efficiency. In export, priority should be given to those commodities that can earn foreign exchange at low cost, yield better economic results and sell well on the world market so as to bring in more foreign exchange. In import, priority should be given to those raw and semi-finished materials, key technologies and types of equipment that are badly needed in domestic production and construction.

According to a recent decision of the State Council, we are to open an additional number of coastal port cities to the outside world on the basis of the experience gained in the existing special economic zones, while trying to make a success of the latter. These cities should be given greater decision-making power -- for example, in the examination and approval of projects using foreign funds -- and we should place more foreign exchange and foreign loans at their disposal so as to give greater scope to their initiative in conducting economic activities with foreign companies. As for foreign businessmen who make investments in China and provide us with advanced technologies, we should give them preferential treatment so that they can earn a profit. In making use of funds and advanced technologies from abroad, these cities should give priority to the technical transformation of old enterprises. They should also set up small and medium-sized projects that require less investment and have a quick turnover of funds and good economic results, so as to accumulate resources more rapidly to help support the rest of the country. All special economic zones must do their utmost to accelerate the introduction of advanced technologies, which should be transferred to the interior after assimilation and innovation.

6. Strengthen research in science and technology and speed up the training of personnel.

We should make further use of science and technology in building our economy. Proceeding from China's realities and taking into consideration new technological trends in the rest of the world, we should adopt a long-term national programme for scientific and technological development. We should continue our effort to undertake key scientific and technological research, assimilate imported technology, manufacture complete sets of major equipment after conducting research and popularize our scientific and technological achievements. We should carry out widespread cooperation in scientific and technological work and promote the establishment of technical consultation services. Starting this year, we should undertake a number of major pilot industrial projects in order to make use of the results of scientific and technological research in our production as quickly as possible. Meanwhile, we should, in a planned way, renew and increase the capabilities of major research institutes and pay close attention to the technical transformation of a number of key laboratories and to the building of bases devoted to testing and experimentation. We should continue our reorganization of research institutes, reform the administration of scientific and technological work,

and update any rules and regulations that hinder development. We should more fully implement the party's policies towards intellectuals so that scientists and technicians may play their full role.

According to the 1984 plan, colleges and universities will enrol 448,000 students, or 57,000 more than in 1983, making it the peak figure since liberation. Secondary vocational schools will enrol 520,000 students, or 42,000 more than in 1983. Institutions of higher learning should further readjust their faculties and areas of specialized knowledge, enrol more students in badly-needed specialities and establish additional specialized faculties. Great efforts should be made to run key colleges and universities well and to make key faculties a success. It is necessary to set up more short-term vocational universities that accept day students and charge tuition. Their best graduates will be assigned jobs. Graduates of colleges and universities should be assigned mainly to grassroots units and key construction projects. We should further develop various forms of higher education for adults. More engineering students should be enrolled in secondary vocational schools in order to gradually change the disproportion between the numbers of high-level and intermediate-level technical personnel. Further efforts should be made to restructure secondary education. There should be overall arrangements for the development of regular senior secondary education and also of secondary vocational and technical education. We should make primary education in the rural areas universal at an early date. We should raise the rate of school-age children entering school, the rate of pupils remaining in school and the rate of those who graduate. We should, in particular, reinforce, the effort to make primary education universal in the minority nationality areas and in economically and culturally backward areas. Schools of all types and at all levels should raise the quality of teaching and, while imparting cultural and scientific knowledge to students, energetically strengthen their education in patriotism, collectivism, socialism and communism.

According to the 1984 plan, more funds will be allocated for the development of science, education and related undertakings, and as overall financial revenue increases in the course of the year, the state will appropriately earmark still more for this purpose. All provinces, municipalities and autonomous regions should also set aside more funds for work in these fields and make larger investments than in the previous years. At the same time, the non-governmental quarters should be extensively mobilized so that, by mustering all available funds and through varied forms, we can energetically promote science, culture and education.

7. Further improve the people's material and cultural life on the basis of expanded production.

We should effectively control population growth, especially in the countryside. Since increasing numbers of young people have reached marriage age in the past few years, all localities must do effective work in family planning. They must intensify publicity and education, give technical guidance and ensure the necessary conditions for birth control.

A total of 5.4 million people in cities and towns will be given jobs in 1984. We should actively develop collectively-owned enterprises and increase the individually-owned businesses -- all in order to create more jobs.

According to the 1984 plan, the payroll for workers and staff in state-owned units will total 82.7 billion yuan, which is an 8 per cent increase over 1983. The income of workers and staff in collectively-owned units as well as that of the peasants will also increase further as production expands.

We should continue to improve the housing conditions of urban workers and staff and greatly increase the production and supply of building materials for rural housing projects.

We should be more active in protecting and improving the environment and in preventing and reducing pollution. We should make it a point to improve working conditions and to educate workers and staff in the strict observance of operating rules so as to ensure work safety.

While improving the material life of the people in towns and in the countryside, we must attach importance to the building of a socialist spiritual civilization and redouble our effort in this respect. There should be further growth in such cultural undertakings as art, cinema and the press as well as publishing, broadcasting and television -- provided that quality is improved. All cultural undertakings should continue to be oriented towards serving the people and socialism. We must firmly oppose all types of commercialization of intellectual products. We must oppose and resist cultural pollution.

We must carry on the mass patriotic health campaign, achieve better results in the prevention and treatment of disease, strive to improve medical and public health facilities for both urban and rural people, and improve the quality of all medical and related services. We must also encourage mass sports activities and do our best to raise athletic standards.

There is one point I would like to explain here: The specific figures listed in the draft plan for 1984 were worked out last November on the basis of estimated results of the 1983 plan. Because many quotas in the 1983 plan were actually fulfilled better than expected and because in the process of preparing this plan many localities and departments asked to have more room for manoeuvre with regard to some major goals, plus the fact that we underestimated the results of market regulation -- because of all this, some targets set forth in the 1984 plan now appear to be somewhat too low. Now that four and a half months of 1984 have elapsed, however, the State Council is of the opinion that no overall readjustment should be made in the 1984 plan; that, on the basis of actual 1983 output, efforts should be made in the implementation of the 1984 plan to attain or surpass the assigned rate of production growth of those products that are truly needed by society at present; and that the production of those products whose supply exceeds demand should be timely adjusted in the light of actual market needs. It is expected that, as was the case with the 1983 plan, many targets of the 1984 plan will be exceeded.

III. Carry Out Structural Reform, Raise Economic Efficiency and Strive for All-Round Fulfilment or Overfulfilment of the 1984 Plan

The implementation of the 1984 plan since the beginning of this year shows that our national economy has been developing soundly. Summer crops are doing well in some places, while in others, their growth is not as good as last year due to bad weather. Spring sowing and planting have been done swiftly with good results. Total output value of industry in the first quarter came to 154.8 billion yuan, which is 24 per cent of the planned annual figure and is 12 per cent more than in the corresponding period of 1983. Of this, the total output value of light industry rose by 11.9 per cent, and that of heavy industry by 12 per cent -- a good situation rare in recent years. As a result of efforts to tap potential and expand production, a fairly big increase has been registered in the amount of coal and crude oil produced while, basically speaking, maintaining an appropriate ratio between exploitation and tunnelling as well as between exploitation and reserves. The output of coal in the first quarter reached 173 million tons, up 8.7 per cent from the corresponding period in 1983; of crude oil, 27.4 million tons, up 6 per cent; and of electricity, 89.2 billion kWh, up 7.6 per cent. The output of light industrial products with a ready market, such as TV sets, washing machines, electric fans, chemical fabrics and beer, rose by more than 30 per cent in the first quarter of this year as compared with the like period in 1983. All these advances have laid a good foundation for overfulfilment of industrial production goals in the 1984 plan. The growth rate of profit budgeted in state-owned industrial enterprises has surpassed the growth rate of output value and the downward

trend of profits delivered to the state in the corresponding periods of the preceding three years has been reversed. Overcoming difficulties and exercising more efficient dispatch of goods, the transport departments in the first quarter of 1984 achieved a 4.4 per cent increase in the volume of railway freight over the same period of 1983, and a 7.6 per cent increase in the volume of freight carried by ships belonging to the Ministry of Communications. Thanks to last years good harvests, readily marketable light industrial products have increased in number since the beginning of this year and the market is getting brisker. Total volume of retail sales in the first quarter was 73.9 billion yuan, up 7.6 per cent from the corresponding period in 1983. Foreign trade underwent a fairly large advance, with the total volume of exports in the first quarter increasing by 25.8 per cent and that of imports by 20.3 per cent, compared with the like period in 1983.

To ensure the fulfilment of overfulfilment of the 1984 plan, our fundamental task is to undertake further reform in economic management, bring the initiative of various quarters into full play and work hard to improve economic efficiency in production, construction and circulation. The main contents of our current urban reform have already been dealt with in detail by Premier Zhao Ziyang in his report on the work of the government. In state planning and the implementation of the specific state plans, we should try to do the following:

First, reform the system of control through state planning so as to exercise better control over the major issues while being flexible on minor ones. In the past few years some reforms have been made in the system of control through state planning, but generally speaking, control has been excessive and too rigid. The various departments and localities and, in particular, the various enterprises lack the necessary power to make decisions on many aspects of their work. Further reform of the planning system must be carried out along with the gradual reform of the urban economic structure. Provided forecasts are made and an overall balance is struck for the whole society, state planning should deal mainly with the major items of key construction projects and with the production of important commodities. The scope of mandatory planning should be appropriately narrowed and that of guidance planning extended. There should be more flexibility for small commodities so that market regulation can come into play. With regard to those products which are not covered by mandatory planning, the enterprises themselves may make decisions on their production and marketing and the purchase of the necessary raw and semi-finished materials, all in accordance with the guidelines set by state planning and with the actual market needs and possibilities. As for products that are covered by mandatory planning, after fulfilling the production quotas set by the state, the enterprises themselves may sell all the above-quota products, with certain exceptions especially stipulated by the state. This reform will enable the state to exercise effective control over the main aspects of the national economy and ensure its co-ordinated and steady growth. At the same time, it will assuredly extend the decision-making power of the grass-roots production units in planning, production and management, thus stimulating the economy. With regard to the production and construction tasks of the various departments and localities, the state will gradually introduce different forms of contract system. While continuing to use the necessary administrative means, we should use various economic levers and legal means and improve the information service for the whole economy and for particular trades, so that all economic activities can be carried on under the guidance of state planning.

The plan for capital construction is an important component of the overall plan for our economy. Experience over the years has taught us that the state must control the overall scale of capital construction, but that the management system must be reformed. In future, the central authorities will handle mainly the key construction projects that affect the whole economy, while the localities will be gradually empowered to handle other projects. In the meantime, the power to examine and approve construction projects should be decentralized and the procedure for this should be simplified.

Where repayment is possible, budgetary appropriations for capital construction projects should be replaced by bank loans, so that funds used are returned. A system of investment responsibility and public bidding for construction projects should be introduced. It is expected that these reforms will enable us to define the powers and responsibilities of all parties involved in capital construction (the central authorities and the relevant localities and departments), to appropriately extend the scope of management by the localities and departments and to determine their respective economic responsibilities. We expect that all this will help shorten the construction cycle of projects, reduce costs and improve the returns on investment.

Second, strengthen management and financial and economic discipline. In order to guarantee the planned and proportionate growth of the economy, we should provide better guidance through state planning to all economic activities and exercise better management and supervision through the channels of finance, taxation, banking, auditing, statistical work and industrial and commercial administration. We cannot afford to follow a laissez-faire policy in this regard. In particular, every effort should be made to ensure state control over major economic activities. The quotas for production and distribution of materials covered by mandatory state plans must be fulfilled in order to ensure accomplishment of the major production tasks and completion of the key construction projects that affect the country as a whole. The achievement of production, transport and construction goals set in the state plan must not be impeded by attempts to achieve goals outside the plan. Any unit that breaches financial and economic discipline by refusing to accept orders placed according to the state plan, refusing to honour contracts on supplies, willfully withholding state revenue and materials earmarked for unified distribution, undertaking unauthorized projects of arbitrarily extending the scale of capital construction should be called to account and duly penalized with administrative and economic sanctions.

Third, strive to improve the various techno-economic indices. The 1984 plan calls for reduction in the use of energy equivalent to 18 million tons of standard coal; the lowering by 1 to 2 per cent of the costs of comparable products of state-owned industrial enterprises; the raising of profit and tax rates for every hundred yuan of output value; the reduction of the circulating fund by 1.5 per cent for every hundred yuan of output value; the raising by 3 per cent of per-capita labour productivity; the reduction by 2.3 per cent of commodity circulation expenses of state-owned commercial enterprises; the reduction of the circulating fund by 1 per cent for every hundred yuan's worth of commodity sales; and the shortening of the work cycle and the cutting of costs in capital construction projects. The localities and departments concerned should work out their own specific plans on techno-economic indices in accordance with the aforesaid requirements and work hard to have them carried out at different levels.

Fourth, make great efforts to increase income and economize on spending, to eliminate deficits and increase profits, and to maintain a basic balance between state revenues and expenditures as well as between credit receipts and payments. Great efforts should be made to tap new potential, increase production, reduce costs and raise income. All measures for concentrating funds should be carried out conscientiously so that funds may be delivered to the state treasury as required. We should plan all spending carefully and strive for best results. We should exercise strict control on the use of administrative expenses for offices and operating expenses for enterprises and economize on them.

Although some results have been achieved in our effort to eliminate deficits and increase profits since the beginning of 1983, there are still considerable losses incurred by industrial and commercial enterprises. We have to make great effort to solve this problem. The Ministry of Finance, the State Economic Commission and the State Planning Commission have this year put forward specific requirements on the elimination of deficit and the increase of benefits by the related enterprises. The different departments and localities should strive to guarantee that these requirements are met.

Bank loans must be extended according to plan. There must, in particular, be control on loans for investment in fixed assets. Compared with 1983, currency issue in 1984 should be reduced by increasing the sale of commodities, restricting the extension of loans and improving cash control.

Fifth, continue the work of consolidating enterprises and readjusting their organization in order to improve their performance. During this year and next, we should carry on planned consolidation of enterprises, particularly large and medium-sized key enterprises. Simply going through the motions should not be permitted. At the same time, we should undertake planned development of various trades and the reorganization and amalgamation of enterprises. We should supply energy and raw and semi-finished materials to help develop those enterprises that consume less material resources but turn out products of fine quality that are in great demand. We must close down those enterprises that use excess amounts of material resources, turn out poor-quality products and are poorly managed so that they have long been running at a great loss, as well as backward enterprises whose products are seriously in excess supply but which nevertheless contend with the advanced enterprises for energy and raw and semi-finished materials. Or we must suspend their operations, merge them with others, or switch them to the manufacture of other products.

Fellow deputies, although we face some difficulties in the development of our national economy in 1984, there are many favourable conditions, particularly the current party consolidation and reform of the economic structure, both of which are bound to provide great stimulus to our economic work. So long as we adhere to the principles and policies formulated by the Central Committee and the State Council, earnestly carry out the various specific measures, bring the initiative of cadres, peasants, workers and technical personnel into fuller play and work hard with one mind to increase production and practise economy, we are bound to reach all the goals set forth in the 1984 plan -- and even surpass them.

STATE COUNCIL APPOINTMENTS, REMOVALS FEB-APR

OW031313 Beijing XINHUA Domestic Service in Chinese 0811 GMT 2 Jun 84

[Text] Beijing, 2 Jun (XINHUA) -- The State Council appointed and removed a number of state functionaries in the period from February to April.

On 9 February, Wang Shu [ambassador to Austria] was appointed the representative of the permanent mission of the People's Republic of China to the International Atomic Energy Agency (concurrently).

On 16 February, Jiang Xiang was appointed a counsellor of the Embassy of the People's Republic of China in the Swiss Confederation; Dai Shiqi was appointed a counsellor of the Embassy of the People's Republic of China in Spain; Deng Chaocong was appointed a counsellor of the Embassy of the People's Republic of China in the Republic of Iraq; and Yang Xingguo was appointed a counsellor of the permanent mission of the People's Republic of China to the UN office at Geneva and to other international organizations in Switzerland.

On 3 March, Jiang Chun was appointed a counsellor of the Embassy of the People's Republic of China in the Arab Republic of Egypt.

On 22 March, Wang Fengyu was appointed a counsellor of the Embassy of the People's Republic of China in Japan; and Tang Xingbo was appointed consul general of the People's Republic of China in Houston.

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On 17 April, Liu Jiyuan was appointed vice minister of the Ministry of Astronautics Industry; Xu Gongou was appointed president of the Lanzhou University; Wang Fuxiang was appointed the president of the Beijing Institute of Foreign Languages; Yan Guosen was appointed president of the Sichuan University; Ke Zhao was appointed honorary president of the Sichuan University; Peng Wenwei was appointed president of the Zhongshan Medical College; Chen Xinmin was appointed honorary president of the Zhongnan Metallurgical College; and Nie Dajiang was removed from the post of the president of the Lanzhou University.

On 21 April, Wu Shunyu was appointed a counsellor of the Embassy of the People's Republic of China in the Republic of Guinea; Duan Cunhua (female) was appointed alternate representative with the rank of counsellor of the permanent mission of the People's Republic of China to the International Atomic Energy Agency; Ye Peida was appointed president of the Beijing College of Post and Telecommunications; Liu Zhenqun was appointed president of the South China Polytechnical College; and Wu Shunyu was removed from the post of counsellor of the Embassy of the People's Republic of China in the Republic of Togo.

LIAOWANG: GU MU ON ASPECTS OF OPEN-DOOR POLICY

HK040404 Beijing ZHONGGUO XINWEN SHE in Chinese 0919 GMT 3 Jun 84

[Text] Beijing, 3 June (ZHONGGUO XINWEN SHE) -- "Practicing the policy of opening up to the world requires that our cadres be clever people, not stupid."

State Councillor Gu Mu quoted this remark of Deng Xiaoping during a recent inspection of Ningbo and Wenzhou, and went on to point out: The key to whether this major affair of further opening up coastal ports to the world can be a success lies in the cadres and in talent. Relatively speaking, it is talent, not finance and material, that is the difficult problem.

The political weekly LIAOWANG published today carries Gu Mu's ideas on returning from his inspection, under the heading "Open Up a Bit More, and Advance a Bit Faster."

Gu Mu said that there is a very strong sense of policy in promoting economic cooperation with countries abroad, and extensive fields are involved. It is essential to have a body of skilled, crack cadres with good understanding of policy, sense of the cause, and mastery of professional matters; and it is also necessary to have a body of experts in science and technology, management, finance, trade, law, and so on. The coastal ports that are being further opened up to the world and the provincial CPC committees concerned must regard the assignment of cadres and training of talent as a most important matter.

He said that the Overseas Chinese and the Hong Kong and Macao compatriots represent a major force in stimulating the four modernizations drive and accomplishing the reunification of the motherland. In the past certain people, under the influence of "leftist" thinking, had some erroneous ideas on Overseas Chinese and their dependents living in China, holding that "overseas relationships" were complex and not to be trusted. Concerning this, Deng Xiaoping pointed out in a speech: It is reactionary to babble that "overseas relationships" are complex and not to be trusted. The Overseas Chinese never forget their homeland, and they earnestly hope that the motherland will prosper and flourish; we cannot impose obstacles to their enthusiasm. Hence, in implementing the policies on Overseas Chinese, it is first necessary to correct erroneous viewpoints and notions.

Gu Mu said that the current outstanding problem in implementing the policies on Overseas Chinese affairs is that of the policy on houses belonging to Overseas Chinese.

In the past 2 years a lot of work has been done to hand back these houses to their owners, and the results have been good. However, there are still quite a number of houses belonging to Overseas Chinese that have not been returned to their owners. This problem must be solved as quickly as possible; we cannot delay any more.

This responsible person in charge of special zones and external economic dealings said that the further opening up to the world of 14 coastal port cities must be integrated with internal reforms; they must advance in the forefront in reforming the economic setup. In carrying out urban reform, we can refer to certain successful experiences and good methods of the special economic zones. For instance, instituting the tendering and contract responsibility systems in capital construction; instituting the contract employment system; instituting the system of hiring management and technical personnel; and instituting the floating wage system and various management responsibility systems, and so on. Places where the conditions are right can implement these systems on a trial basis. We should also allow enterprises to purchase equipment and other material by tender, to enliven the circulation field.

Gu Mu said that Ningbo and Wenzhou had relatively early exchanges with the outside world. In the eyes of people from elsewhere, the people of Ningbo and Wenzhou have long been famed for their skill in management and business. Ningbo and Wenzhou are also hometowns of Overseas Chinese. The conditions for these two cities to open up to the world are very good. They both have a certain foundation in industry and agriculture, and both are located at river mouths. Ningbo in particular has a very fine harbor, and could develop into a truly great port in the Orient.

ELECTRONICS MINISTER ON PARTY RECTIFICATION

HK020254 Beijing RENMIN RIBAO in Chinese 29 May 84 p 5

[Article by Jiang Zemin, minister of electronics industry: "Carry Out Party Rectification in a Thorough Way by Constantly Seeking Unity of Thinking" -- capitalized passages published in boldface]

[Text] Unifying our ideology is a task of primary importance in party rectification as well as an important guideline for party rectification. Through carrying out party rectification over the past 6 months, we have gradually understood that unification of ideology should be realized in each step of party rectification.

Unification in ideology is the foundation of unification in politics. Only by unifying our ideology on the basis of the line, principles, and policies drawn up since the 3d Plenary Session of 11th CPC Central Committee can we politically keep abreast of the CPC Central Committee. To unify our ideology, it is necessary to study Marxism-Leninism-Mao Zedong Thought and the line, principles, and policies drawn up since the third plenary session, correct "leftist" and rightist tendencies which have violated the four basic principles and the line drawn up since the third plenary session, raise our political and ideological understanding, strengthen party spirit, and consciously keep step with the CPC Central Committee ideologically and politically.

IDEOLOGICAL UNIFICATION SHOULD BE REALIZED IN THE COURSE OF SOLVING CONTRADICTIONS AND OVERCOMING DIFFERENT UNDERSTANDINGS. We should combine the systematic study of party rectification documents with the actual conditions of our department and use the line, principles, and policies drawn up since the third plenary session to examine the guiding principles of our vocational work. We have spent a lot of time and effort unifying our ideology. It is first necessary to unify the ideology of the members and leaders of the party group through simultaneous study and discussion. In carrying out heart-to-heart talks, new and old cadres treat each other in an honest manner and seek truth from facts.

They neither "bear the blame for others" nor "force their views on others," and they neither "gloss over their own mistakes" nor "exaggerate others' faults." Furthermore, they listen to the opinions of the masses so as to derive "nourishment" from these opinions. On the basis of unifying the ideology of the leading cadres of our department, we are gradually unifying the understanding of the party members of our department. In this respect, we do not grudge spending time on this and are not afraid of controversy. We let everyone air their views, give positive guidance, and centralize correct opinions. The purpose is to overcome the negative attitude of cadres toward their work, to draw experience and lessons, and to implement the open-door policy in a better manner. As a result, leading cadres and the masses have straightened out the guideline for their vocational work and strengthened their confidence in implementing the open-door policy.

IDEOLOGICAL UNIFICATION SHOULD BE REALIZED IN THE STRUGGLE AGAINST ERRONEOUS IDEOLOGY (INCLUDING ERRONEOUS IDEOLOGY IN ONE'S MIND). Since the third plenary session, our party has established a correct ideological and political line. A correct line cannot be smoothly implemented without a basis of correct ideology. Erroneous "leftist" influence, in particular the pernicious "leftist" influence and factionalism left over by the 10 years of disorder, is hampering the people's thinking and affecting the unity of cadres. In the current party rectification, we have conducted an ideological house cleaning with regard to vestiges of factionalist ideology. These vestiges have caused comrades to guard against each other in conversation and work and can hamper heart-to-heart talks between leading cadres and the masses, between party members and nonparty members, and among party members; affect the correct carrying out of criticism and self-criticism; hamper the work of examining "people of three categories" and of establishing the "third echelon"; and will make it difficult for leading cadres and the masses to cooperate in carrying out the four modernizations drive. The essence of this problem lies in our failure to unify our ideology according to the decision adopted by the 6th Plenary Session of the 11th CPC Central Committee and in our failure to fundamentally and thoroughly negate the factionalism brought about by the "Cultural Revolution." Before party rectification entered the stage of comparison and examination, we engaged in concentrated study for a period of time and organized party members to restudy the part on the "Cultural Revolution" in the "Resolution on Certain Questions in the History of the Party Since the Founding of the PRC." We armed party members with the party's correct ideology so as to enable them to understand that factionalism is a product of "leftist" theory and ideology which emerged in the "Cultural Revolution" and that it should be thoroughly negated. In this way, our ideological understanding was enhanced and party spirit strengthened, and this has laid a good ideological foundation for comparison and examination in party rectification.

IDEOLOGICAL UNIFICATION SHOULD MANIFEST ITSELF IN THE WORK OF BLAZING A NEW TRAIL. Although progress has been made in China's electronics industry since the third plenary session, great changes have not taken place, and this does not correspond to the general task and target set by the 12th CPC National Congress and to the strategic position and vanguard role of the electronics industry in the new historical period. What is hampering us from making big strides and blazing a new trail? After repeated analyses, we came to understand that the main cause was that we had not emancipated our minds and that we could not make quick political responses. In short, "we failed to get rid of the beaten track and were slow in our action." With such an understanding, we agreed that we should realize the target of "increasing electronic production eight-fold and fulfilling the state's requirements 10 years ahead of schedule." In other words, by the end of this century, gross electronics industrial output value will increase eight-fold as compared with that in 1980, major electronic products and technological level will reach the international level of the late 1980's and the early 1990's, and the requirements set by the state for national economic departments will be fulfilled 10 years ahead of schedule.

With this target clearly in mind, we will have more confidence in blazing a new trail for the electronics industry.

CHINA DAILY CITES REPORT ON FOREIGN TRADE

HK260335 Beijing CHINA DAILY in English 26 May 84 p 2

[Text] China's foreign trade totalled \$12.41 billion in the first four months of this year, an increase of 15.9 percent over last year, the newspaper CHINA ECONOMICS AND TRADE reported.

Exports amounted to \$7.02 billion, 13.1 percent more than a year ago. Exports of cotton increased by 62,000 tons, soybeans 160,000 tons, cotton yarn 160,000 units, cotton cloth 120 million metres, and petroleum 1.89 million tons.

Imports increased 19.7 percent totalling \$5.39 billion, with rolled steel doubling to 3 million tons, and timber to 1.53 million cubic metres. Imports of some farming and sideline products, however, dropped substantially. Grain declined 32.3 percent and cotton 55.4 percent.

NUCLEAR JOINT VENTURE PLANNED FOR GUANGDONG

HK310405 Beijing ZHONGGUO XINWEN SHE in Chinese 1302 GMT 30 May 84

[Report by Li Jian]

[Text] Beijing, 30 May (ZHONGGUO XINWEN SHE) -- According to sources in the department concerned, the Guangdong Nuclear Power Joint Venture Company Limited will be founded in July or August this year, and Peng Shilu, vice minister of water resources and electric power, will be appointed chief responsible person of this company.

The Guangdong Nuclear Power Joint Venture Company Limited will be jointly run by the Guangdong Nuclear Power Investment Company and the Hong Kong Nuclear Power Investment Company Limited, and will involve a total investment of nearly U.S. \$3 billion. The Guangdong side will first contribute U.S. \$300 million to the capital funds, and the Hong Kong side will contribute U.S. \$100 million. The follow-up investment will be made by the two sides in accordance with this ratio.

The Guangdong nuclear power station will use two generator sets driven by pressurized water reactors, and each generator set will have a single-machine capacity of 900,000 kilowatts. At the same time, four transmission lines will be erected and put into operation in 1989. One of these lines will be a 200-km 500,000-volt high-tension transmission line from Daya Bay via Shatoujiao to Guangzhou, another line will be a 200-km 400,000-volt high-tension transmission line from Daya Bay directly to Guangzhou, and the remaining two are transmission lines from Daya Bay via Shatoujiao to Hong Kong.

The pressurized water reactor nuclear generating equipment used by the Guangdong nuclear power station will have a high safety coefficient and will not become a source of danger in case of earthquakes, typhoons, floods, or other natural disasters. The nuclear auxiliary equipment of the power station will not affect the health of residents in the nearby areas.

Now, the two sides are revising their joint venture contracts and regulations and the contracts for selling and buying electric power, and all of these documents will be finalized by 6 June. The two sides in the joint venture are also negotiating with French and British companies on the supply of designs for the nuclear power station, the main equipment for the reactors on the nuclear island [dao 1497], and the main equipment for the generating system on the conventional island [dao 1497]. The negotiations are now being conducted respectively in Hong Kong and Shenzhen. It is expected that the relevant contracts will be signed in the third quarter.

At present, the preparatory work for the construction of the Guangdong nuclear power station is making good progress. About 100 engineers, transferred from all parts of the country, will soon arrive at the construction site to begin their work. The 28-km highway from Shenzhen to the construction site is now also under construction. The power supply system, the water works, and the communications system for the construction site are all under rapid construction.

ZHAO ZIYANG GREETES XINJIANG NAVIGATION STATION

HK310139 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 30 May 84

[Text] The special plane of State Council Premier Zhao Ziyang flew over the Hongqi navigation guidance station on the Pamir Plateau early this morning on his way to his official visit to France. Premier Zhao sent a greetings message to the station as he flew over, extending cordial regards and sincere good wishes to the commanders and fighters. He called on them to unite as one and make still greater contributions at their lofty posts in defending the motherland.

DENG LIQUN ATTENDS BEIJING COMMENDATION MEETING

OW292103 Beijing XINHUA Domestic Service in Chinese 1434 GMT 29 May 84

[By reporter Li Yafei]

[Text] Beijing, 29 May (XINHUA) -- A summing-up and commendation meeting on studying "to reinvigorate the Chinese nation" among workers and staff members was held by Beijing Municipality on 29 May. Deng Liqun, member of the Secretariat of the CPC Central Committee, attended the meeting and presented banners to the advanced units in the studying activity.

The municipality commended a total of 71 advanced units, 139 advanced groups, some 370 advanced individuals and outstanding instructors, and some 3,200 activists at the meeting.

The studying activity among workers and staff members was started in May last year. So far, 450,000 workers and staff members have joined 40,000 study groups. The study has raised the ideological and political consciousness of the broad masses of workers and staff, especially young workers and staff members, and improved prevailing social practices, thus opening up a new phase in the ideological and political work among workers and staff members.

DENG LIQUN SEES CHILDREN'S PLAY AT ZHONGNANHAI

OW011754 Beijing XINHUA Domestic Service in Chinese 1755 GMT 31 May 84

[Text] Beijing, 31 May (XINHUA) -- More than 1,000 children and youngsters in the capital city watched a play, "Yueqin and Young Tiger," [yueqin is a four-stringed plucked instrument with a full-moon-shaped sound box] at the Huairan Hall of Zhongnanhai this evening to celebrate their own festival.

Among the leading comrades who watched the performance with the children were Deng Liqun, Liu Lantao, Wang Zhaoguo, He Jingzhi, and Hu Dehua. "Yueqin and Young Tiger," staged by the Children's Drama Troupe of the Sichuan People's Art Theater, is a six-scene play depicting the children and youngsters of the Yi nationality. Yueqin is a musical instrument used by the people of Yi nationality to express their love, and the tiger is one of the animals that they revere. The play is a story about the yueqin and the tiger and describes the struggle between justice, represented by La Xia, a young orphan, on the one hand and the evil force, represented by Ma-he-wu-sha, a slave owner, on the other. In the end, the true, the good, and the beautiful defeated the false, the evil, and the ugly. The children were enlightened amidst their laughter.

ULANHU, WAN LI AT BEIJING CHILDREN'S FESTIVAL

OW311353 Beijing XINHUA in English 1323 GMT 31 May 84

[Text] Beijing, May 31 (XINHUA) -- Songs and laughter greeted the performance and games at China's National Children's Center here this morning as 10,000 children celebrated International Children's Day. Communist Party and state leaders Ulanhu, Wan Li, Liu Lantao, Banqen Erdini Qoigyi Gyancan and Seypidin welcomed the children and watched the singing, dancing and instrumental performances. Kang Keqing, president of the All-China Women's Federation, was also present.

Among the young holiday makers were 100 children of foreign embassy officials, and children of minority nationalities and of Taiwan origin. Also present were primary and kindergarten teachers and model workers.

Vice-President Ulanhu told the children to study science and get ready to help in national construction. He expressed the hope that the children of all nationalities would unite closely and join hands with their "little friends" throughout the world.

Outside the center's theater where the performance was held, children enjoyed fair-ground rides. Thirty-two newly installed microcomputers and a traffic yard where young "police" directed small electric cars were also big attractions.

Another some 10,000 children came to the center this afternoon, and the celebration would last until June 3.

Psychologists, teachers and doctors today were at a counselling desk in the children's center, offering advice to parents on preschool education, child psychology and medical care. The center since its founding in August 1982 has received 1.56 million children and teachers from across the country. Visitors have also come from Hong Kong, Macao and abroad.

ZHANG AIPING CUTS RIBBON AT ART EXHIBITION

OW012104 Beijing XINHUA Domestic Service in Chinese 1724 GMT 31 May 84

[By reporter Lu Guangru]

[Excerpts] Beijing, 31 May (XINHUA) -- Amid hails, laughter, and warm applause, Zhang Aiping, state councillor and a noted calligrapher, cut the ribbon to open the National Children's Calligraphic Works and Art Exhibition, which took place at the Chinese Art Gallery this morning. More than 500 beautifully dressed children took part in the ribbon-cutting ceremony.

The exhibition, whose theme is "Growing up in the embrace of the motherland," is the largest of its kind held since the country's founding. The exhibition hall is colorfully decorated by 561 calligraphic works and paintings sent from all provinces, municipalities, autonomous regions, the All-China Federation of Taiwan Compatriots, the General Political Department of the PLA, and the Ministry of Railways.

While watching an on-the-spot calligraphic demonstration by Tong Qing, an 8-year-old girl in a one-piece dress, all the observers exclaimed in admiration. Zhang Aiping happily pointed out that the children have had good calligraphic training, as seen from their works which are full of vitality. He added that the young calligraphers can do even better than all their predecessors.

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Zhu Muzhi, Lin Mohan, Zhang Wensong, Hu Dehua, Lin Liyun, Wang Xun, and leading comrades of departments concerned visited the exhibition.

YU QIULI ATTENDS ARMED POLICE FORCE MEETING

OW011834 Beijing XINHUA Domestic Service in Chinese 1456 GMT 31 May 84

[By reporter Li Xunzhou, correspondent Lou Jinliang]

[Text] Beijing, 31 May (XINHUA) -- Speaking at the political work meeting of the armed police force yesterday, Yu Qiu'li, member of the Political Bureau of the CPC Central Committee and director of the General Political Department of the Chinese PLA, said that the current political work must be carried out in such a way as to expedite reform within the armed police force as well as in other departments.

The political work meeting of the armed police force has been going on in Beijing since 22 May. Its main objective on the agenda is to examine its political work since the establishment of the armed police force, study how to step up political work, and expedite the armed police force's revolutionization, modernization, and regularization.

In his speech, Yu Qiuli stressed the need of mental emancipation, audacious reform, and the creation of a new situation for political work. In connection with the armed forces' actual situation and the armed police force's special nature, he put forward the following seven requirements: Clearly understand the guiding thinking for political work during the new period, and settle the issue that political work must be subordinated to and serve the party's general tasks and objectives; continue to heighten the armed forces' political and ideological consciousness by energetically intensifying political and ideological education; build a stronger armed police force in accordance with the requirements set for party cadres, namely making our cadres ranks more revolutionary, younger in average age, better educated, and professionally more competent; encourage the armed police force to work together with people of all civilian sectors in carrying out activities aimed at promoting socialist culture; strive to train more people who are useful for the civilian departments as well as the armed forces by encouraging all officers and men to study scientific and general knowledge; effectively strengthen the building of the basic-level units, give impetus to the leading organization's operation so that the whole situation can be enlivened and so that political work and the armed police force's performance can reach a new level; and continue to improve the thinking, style, and method of leadership, persist in seeking truth from facts, and do everything in a practical manner.

Comrade Yu Qiuli said that under the leadership of the party Central Committee, the armed police force has achieved great successes and made much progress in doing political work and in other areas since its establishment last year. He urged each and every officer and man of the armed police force to achieve still greater success, make still greater progress, and create a still better situation for building up the armed police force and for other work.

All those attending the political work conference of the Ministry of Public Security also heard Comrade Yu Qiuli's speech.

JIANGXI IMPLEMENTS AGRICULTURAL PROGRAM

OWO41337 Beijing XINHUA in English 1159 GMT 4 Jun 84

[Text] Nanchang, June 4 (XINHUA) -- Jiangxi Province in East China has embarked on an ambitious program to use foreign funds to develop its agriculture, according to Wang Tingge, director of the provincial Agricultural Joint Development Corporation.

According to agreements already signed, the World Bank will provide some three million U.S. dollars in loans to help build a cultivation center for prime hybrid rice strains. A Singapore firm has agreed to invest about eight million U.S. dollars to a lean pig farm and a chicken farm built jointly with the province.

The Danish Government has signed a letter of intent to provide some four million U.S. dollars in loans to help the province to expand a dairy farm and increase production of dairy products and to build a processing line for tangerines.

Other projects being proposed for development with foreign funds include reclamation of 20,000 hectares of red soil waste land and construction of fish ponds up to 2,800 hectares.

Jiangxi Province is basically an agricultural region with favorable conditions for farming and animal husbandry. But this potential remains almost untapped due to lack of funds, among other things.

ZHEJIANG PROVINCE TO HOLD EXHIBIT IN HONG KONG

OWO40912 Beijing XINHUA in English 0707 GMT 4 Jun 84

[Text] Hangzhou, June 4 (XINHUA) -- Zhejiang Province will display its arts and crafts for the first time in Hong Kong at an exhibition from June 21 to 30, according to the provincial Arts and Crafts Import and Export Corporation.

Three hundred factories in the province will send 8,200 articles to the exhibition. These include carving and sculpture, pottery and porcelain, plaited bamboo, willow and straw articles, and everyday items.

Among them will be a nine-dragon screen made from plaited bamboo and a painted wooden screen inlaid with horn and ivory showing over 150 people celebrating the Spring Lantern Festival.

The exhibition was co-sponsored by the Zhejiang Provincial Arts and Crafts Import and Export Corporation and the Chinese Arts and Crafts (Hong Kong) Ltd.

INVESTMENT POLICIES IN SHENZHEN ZONE OUTLINED

HK020852 Beijing ZHONGGUO XINWEN SHE in Chinese 0800 GMT 1 Jun 84

[Report: "Liang Xiang Says That Shenzhen Has Done Effective Work To Create a Good Investment Environment" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 1 Jun (ZHONGGUO XINWEN SHE) -- Through its efforts exerted over the past few years, the Shenzhen Special Economic Zone has succeeded in gradually improving its investment environment, and in increasingly attracting more investors. In 1983, more contracts were signed with foreign businessmen, amounting to an increase of 52 percent over 1982. Two years ago, businessmen who came to Shenzhen to hold talks on investments mostly came from Hong Kong and Macao. At present, investors from more than 50 countries and regions have come to Shenzhen to discuss investments, including the United States, Japan, The Federal Republic of Germany, Great Britain, and Switzerland. Some of them are businessmen and representatives from big transnational companies.

This is a passage quoted from an article by Liang Xiang, mayor of Shenzhen, carried in the latest issue of HONGQI, the authoritative magazine of the CPC Central Committee, published today. In his article entitled "Work Hard To Run Shenzhen Special Economic Zone Better," Liang Xiang discusses the following four issues: 1) policy decision on establishing special economic zones is correct; 2) creating a good investment environment; 3) reforming management system which is not in accord with the open-door policy; 4) simultaneously building material and spiritual civilizations.

With regard to the policy of the special economic zone, which gives preferential treatment to investors, Liang Xiang says: 1) The approved import of capital goods for production and means of livelihood, which are to be used in the special zone, is exempt from taxation with the exception of cigarettes, wine, and so forth. Products manufactured by the special zone are also exempt from customs duty when they are exported. 2) Income tax is 15 percent, which is lower than income tax in Hong Kong. The income tax of enterprises, which invest more than \$5 million and are equipped with more advanced technology, can be further reduced. 3) Administrative and management personnel of the enterprises run by foreign capital are free to come and go. Foreign businessmen are allowed to freely employ foreign staff to carry out technical and management work. They are also allowed to decide their wage system in light of the needs of the enterprises concerned. They are allowed to open bank accounts with the Bank of China or other foreign banks in the special zone to deal with the matter of foreign exchange. After paying taxes, enterprises can remit their legitimate profits to foreign countries. Foreign staff and other Overseas Chinese, Hong Kong, and Macao staff are also allowed to remit their legitimate incomes. If enterprises run by foreign capital close for one reason or another, they are allowed to send out or transfer their assets after going through the formalities of closing their business and clearing all debts. The formalities of entering and leaving the special zone for foreign businessmen have been simplified. 4) Labor costs in the special zone are also comparatively low, which are only about 45 percent of the average wages of workers in Hong Kong.

Liang Xiang adds: The special zone is firmly grasping legislation work. Following the promulgation of the laws and regulations of the special zone, more than 10 other special laws and regulations have been enacted. In addition, economic courts, a legal advisory office, and an economic arbitration office have been established. All these will further improve legislation and judicial work in the special zone.

Liang Xiang points out: We need a good investment environment which includes political and social stability, effective policy, a sound legal system, and excellent basic facilities. In recent years, Shenzhen has done a lot to create a good investment environment.

SHENZHEN ARBITRATION COMMITTEE ESTABLISHED

OW011319 Beijing XINHUA in English 1157 GMT 1 Jun 84

[Text] Shenzhen, June 1 (XINHUA) -- An arbitration committee was set up here Thursday to settle disputes arising from implementing economic contracts between local firms and firms from Hong Kong and Macao.

This is an important move to strengthen the economic legal system and improve investment conditions in the Shenzhen Special Economic Zone, according to a leading official here. The committee will also arbitrate disputes arising from economic contracts between individual dealers, peasants in rural areas and legal persons.

According to the State Administration for Industry and Commerce, arbitration committees have now been established in 24 of the 29 provinces, municipalities and autonomous regions. Local arbitration committees like Shenzhen's will be set up across the country by local administrations for industry and commerce.

GUANGDONG 'SOCIALIST CIVILIZATION' GROUP MEETS

HK030643 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 2 Jun 84

[Excerpt] The Guangdong provincial meeting to commend progressive units and workers in building socialist civilization concluded in Guangzhou this morning. At the closing session the provincial CPC Committee and government presented awards to a number of progressive units and individuals. The meeting was attended by responsible persons of the provincial CPC Committee, Advisory Committee, People's Congress Standing Committee, government, and CPPCC, Guangzhou Military Region, and Guangdong Military District Lin Ruo, Liang Lingguang, Shan Yinzhang, Yang Yingbin, Chen Yueping, Zeng Dingshi, Wang Pingshan, Huang Kang, and Xu Yannian.

GUANGDONG ENTERPRISES REPORT PROFITS, PROGRESS

OW031135 Beijing XINHUA in English 1031 GMT 3 Jun 84

[Text] Shenzhen, June 3 (XINHUA) -- Twenty-five of the 51 joint ventures and enterprises with sole foreign investment in the Shekou District of the Shenzhen Special Economic Zone, Guangdong Province, have yielded profits, according to local government reports. Set up in the past four years, all those factories have entered the international market with products including paint, containers, boats, toys, electronic equipment and furniture.

From 1980 to the end of 1983, foreign firms had invested more than one billion H.K. dollars in the Shekou District. Since the beginning of this year, contracts involving 800 million H.K. dollars have been signed between the district and 20 Hong Kong and foreign interestors, four times the figure for the whole of 1983. "Time is money and efficiency means life" is the motto for the construction of Shekou, which is now well-known in China for its fast development and high degree of efficiency. During his recent inspection tour of Shenzhen, Deng Xiaoping expressed satisfaction with the development in the district.

Construction the industrial district began in 1979. Over the past four years, the district built 480,000 square meters of factory buildings, residential quarters, and other facilities. Buildings of 400,000 square meters in floor space are under construction. The district has also put into operation six 5,000-ton wharves, which last year alone handled 150,000 passengers and 500,000 tons of cargo.

GUANGDONG FORMS COMMITTEE FOR PUTONGHUA

HK020213 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 1 Jun 84

[Text] A Guangdong provincial working committee for popularizing Putonghua [standard Mandarin] was set up yesterday afternoon. Vice Governor Wang Pingshan is chairman of the committee. At its first plenary meeting yesterday, the committee conveyed the recent instructions of provincial CPC Committee First Secretary Ren Zhongyi on popularizing Putonghua, and held lively discussions on how to do this work in the province.

The meeting demanded that measures be taken from now until 1986 to basically introduce Putonghua in all institutes of higher education, especially teacher training schools, and in urban secondary and primary schools and rural key primary schools. Party and government organs and units at and above-county level should insist on using Putonghua in carrying out work, holding meetings, conducting study, and holding external talks. Staff and workers of shops, service trades, and public transportation in the towns should all use Putonghua in dealings with customers. This should also be regarded as a condition for examining and assessing staff and workers.

GUANGXI COURSE ON NEGATING CULTURAL REVOLUTION

HK240933 Nanning Guangxi Regional Service in Mandarin 1130 GMT 22 May 84

[Text] After a half month's study and discussion in connection with the region's reality, comrades at and above departmental and bureau levels attending the second course on party rectification run by the regional CPC Committee have basically unified their understanding. They held that in order to properly carry out party rectification and rapidly develop the economy in Guangxi, it is necessary to first unify their thinking and then negate the Cultural Revolution and the notion that there was a so-called correct line in Guangxi during the Cultural Revolution.

Drawing a lesson from the previous study course, comrades attending this study course, in accordance with the instructions of the central leading comrades and the region's reality, on the basis of earnestly studying the documents of the CPC Central Committee on party rectification and centered on the problem of properly carrying out party rectification and rapidly developing the economy in Guangxi, first grasped the prime issue of completely negating the Cultural Revolution and held discussions in connection with the reality in their own units, departments, and the whole of Guangxi. They have basically spoken their minds freely and aired their views. Through discussions on the situation in their own units, departments, and the whole of Guangxi, all comrades attending the study course unanimously held that since the Cultural Revolution our party has been seriously impure in ideology, style, and organization, and that Guangxi's protracted backward economy was mainly due to the 10 years of internal disorder during the Cultural Revolution and was caused by some people's adherence to the notion that there was a so-called correct line in Guangxi during the Cultural Revolution.

By citing facts, many comrades proved that the Cultural Revolution caused serious disasters to the whole country and Guangxi. If there were some special things in Guangxi during the Cultural Revolution, the most important was the serious disasters Guangxi suffered, particularly the long time that people in Guangxi adhered to factionalism, the amount of people in serious violation of law and discipline, and the fact that Guangxi was especially active in learning from DaZhai, in launching the overall battle of criticizing selfishness and revisionism, in criticizing [words indistinct], and in cutting off the tail of capitalism.

Many comrades held that the so-called stable situation in Guangxi during the late period of the Cultural Revolution was but a superficial phenomenon. In fact, very sharp contradictions remained under cover.

As for the increase in Guangxi's economy during the Cultural Revolution, it was due to the great efforts made and the struggle waged by the broad masses, not to the so-called correct line in Guangxi during the Cultural Revolution. Without the Cultural Revolution, Guangxi's production would have been better.

Comrades said that the notion that there was a so-called correct line in Guangxi during the Cultural Revolution is a product of factionalism from the Cultural Revolution and has become a spiritual bolster of the people of three categories and those who make serious mistakes for adhering to factionalism. This notion runs counter to the spirit of the resolution of the 6th Plenary Session of the 11th CPC Central Committee and is the ideological root of Guangxi's backwardness, the biggest obstacle to the failure to bring order out of chaos in Guangxi over a long time, and the main reason for seriously impure ideology, style, and organization of party organizations in Guangxi. Only by completely negating the Cultural Revolution in theory and practice and completely negating the notion that there was a so-called correct line in Guangxi during the Cultural Revolution is it possible to properly carry out party rectification, to reach political and ideological unanimity with the central leadership, to further implement the line of the 3d Plenary Session of the 11th CPC Central Committee and the 12th CPC Congress and to rapidly develop the economy.

Through study and discussions, comrades attending the study course have deepened their understanding. They criticized the shortcomings and mistakes of the regional CPC Committee and put forth some suggestions. Some comrades consciously carried out self-criticism on their mistakes in the Cultural Revolution so as to eliminate the influence of leftism and factionalism.

At the end of the study course, leading comrades of the regional CPC Committee who attended the course expressed their wish to modestly accept comrades' valuable opinions and were resolved and confident in properly carrying out party rectification. They also wished that after returning to their own units, the comrades would mobilize the masses in various forms, develop a democratic style of work, extensively solicit opinions, and carry out criticism and put forth suggestions to the regional CPC Committee on the main problems that should be resolved in party rectification. Meanwhile, all departments and units are requested to grasp essential problems and carry out simultaneous rectification and correction of defects in the process of party rectification.

NANNING, GUIYANG AGREE TO BECOME 'SISTER CITIES'

HK050218 Beijing ZHONGGUO XINWEN SHE in Chinese 1356 GMT 4 Jun 84

[Text] Nanning, 4 Jun (ZHONGGUO XINWEN SHE) -- A signing ceremony for making Nanning, capital of the Guangxi Zhuang Autonomous Region and Guiyang, capital of Guizhou Province, sister cities was held in Nanning this morning. Guiyang Mayor Li Wanlu and Nanning City CPC Committee Deputy Secretary Tang Feng signed the protocol on behalf of Guiyang and Nanning.

Guiyang is one of the hubs of communications in southeastern China, and Nanning is a place of strategic importance in southern China. The two cities have had contacts with each other for a long time. According to the agreement, Guiyang will make use of Guangxi's favorable conditions, such as its ports and its economic relations with foreign countries, to export products and to import foreign funds and advanced technological equipment. On the other hand, Guiyang will help Nanning raise the technological level of its products, such as food and cigarettes. Both sides will lift regional restrictions by instituting an open system of circulation, opening up markets reciprocally, and providing each other with service facilities and sites.

Through counterpart consultations, both sides have reached more than 30 agreements on such specific issues as trade contacts, material exchanges, production cooperation, and cultural exchanges.

GUANGXI'S QIAO XIAOGUANG AT CHILDREN'S DAY EVENT

HK020145 Nanning Guangxi Regional Service in Mandarin 1130 GMT 1 Jun 84

[Excerpt] This morning, party and government leaders of Guangxi and Nanning went to the city workers' Cultural Palace Theater to celebrate International Children's Day with some 2,500 children of various nationalities. The responsible comrades included Qiao Xiaoguang, Wei Chunshu, Chen Huiguang, Li Xinliang, Bi Kezhou, and Tang Feng. Also present were Liu Tianfu and Liu Geng, responsible persons of the Guangxi liaison group of the Central Commission for Guiding Party Rectification.

LIU JIE ATTENDS HENAN FORUM ON ECONOMIC REFORM

HK040941 Zhengzhou Henan Provincial Service in Mandarin 1230 GMT 3 Jun 84

[Text] In order to evaluate and exchange experiences in urban economic reform, to study the new situation and solve new problems, and to work out policies and measures for the reform as early as possible, the Henan Provincial CPC Committee and government held a forum from 23 to 26 May on the reform of the urban economic system. Secretaries, mayors, and commissioners of all prefectures and cities and responsible cadres of various departments, committees, and bureaus directly under the provincial authorities attended the forum. Leading comrades of the provincial CPC Committee and government attached great importance to this meeting. Liu Jie, first secretary of the provincial CPC Committee, attended the meeting to listen to the opinions of various prefectures and cities and made an important speech. Liu Zhengwei, secretary of the provincial CPC Committee; Zhang Chixia, member of its Standing Committee; and Yue Xiaoxia and Yan Jimin, provincial vice governors, attended the meeting.

During the meeting, the comrades from Anyang City talked about the situation in their experimental points selected for the comprehensive reform of the economic system. The comrades from Zhengzhou, Kaifeng, Luoyang, Xinxiang, Jiaozuo, and Pingdingshan Cities and those from the provincial Commercial Department and Material Supply Bureau also spoke at the meeting. The participants then discussed certain policies and measures concerning economic reform in the cities. With emancipated minds, they all aired their views freely, and the meeting was imbued with an atmosphere of reform.

Comrade Yan Jimin made a wrap-up speech. He said that the situation of the reform in our province can be summed up in the following words: The reform in the countryside brings along that in the cities; the reform on the agricultural front brings along that in the industrial departments; the reform in collective enterprises brings along that in state enterprises; the reform in the supply and marketing cooperatives brings along that in state commercial departments; and the reform in the enterprises brings along that in government organs. At present, the reform in the cities is still at its initial stage. It is necessary to further emancipate the mind and raise our consciousness and to implement the policy of eliminating the leftist influence, untying the knots, transferring power to lower levels, and enlivening the economy. The reform is aimed at mobilizing the initiative of the enterprises and their staff and workers so as to promote the development of productive forces and achieve better economic results.

He emphasized that leaders at all levels must support and protect reforms and promote them to leading posts, including those who dare to create a new situation but still have certain shortcomings. It is necessary to look at the main aspect of the reform and allow the existence of certain unavoidable defects, or even mistakes, in the reform. The leaders at all levels are duty-bound to help the reformers sum up their experiences so that they can achieve successes. They must learn from the reforms and become their leaders.

He also pointed out that the reform must be combined with enterprise consolidation so that the former may promote the latter and play its due role and so that the positive results of the reform can be developed. The reform must also be combined with management by various trades and professions. After the enterprises are put under the management of cities, management by various trades and professions must be strengthened rather than weakened. It is necessary to do a good job in planning, coordination, quality control, information, and consultation so that good external conditions can be created for the enterprises.

In his speech, Comrade Liu Jie said that the situation is very good for the current reform. The reform, even in its initial stage, will bring about better economic results. Although the reform in the countryside is still in progress and is not yet a perfect one it has already shown its great power and has brought about a great increase in economic returns.

He said that we must not only dare to, but also know how to, carry out reform. Reform in the cities is much more complicated than that in the countryside. It is an enormous and systematic project involving a vast field of things. We must gain a full understanding of this. In this reform, it is necessary to coordinate with one another, make concerted efforts, simplify administration, and transfer power to lower levels. Emphasis should be placed on the reform of industry and commerce, with that in scientific research, education, cultural work, and finance being promoted at the same time. Various departments, bureaus, and prefectures and cities must mainly do a good job in implementing policies, carrying out plans, promoting coordination, offering guidance, and conducting supervision. It is necessary to simplify administration and transfer power to lower levels.

Comrade Liu Jie pointed out that during the reform, it is necessary to concentrate our strength on conducting experiments at selected points. At present, the main problem is that we still lack experience. Leaders at all levels must try to obtain experiences directly from the practice of reform. All successful experiences that suit our realities must be popularized. It is necessary to make experiments in more selected points, and pay attention to the connections between the reform and the second step of substituting taxes for delivery of profits.

Comrade Liu Jie continued that it is necessary to take into consideration the overall interests as well as the new situation and new problems appearing during the reform and look ahead into the future. A new situation will not be created if the reform is not carried out. All irrational things are subject to change, no matter how many years they have been followed.

In conclusion, he said that leadership must be strengthened over the reform and the initiative of various fields must be mobilized during the reform.

HENAN HOLDS PROVINCIAL AUDITING CONFERENCE

HK020315 Zhengzhou Henan Provincial Service in Mandarin 1230 GMT 1 Jun 84

[Excerpts] The first provincial auditing work conference was held in Zhengzhou from 25 to 30 May. The meeting conveyed the spirit of the national auditing work conference, summed up and exchanged work experiences, and made arrangements for this year's tasks.

Seventeen prefectures and cities in Henan have set up auditing work organs since last October. Over 100 counties and cities subordinate to prefectures and 12 districts subordinate to cities have set up auditing bureaus. Over 500 auditing cadres have been trained. At the same time, the provincial, prefectural, and city departments concerned have set up a number of internal auditing organs and assigned full-time auditors to them.

Adopting the method of linking theory to reality, these organs have carried out trial audits in 28 enterprises and units. As a result they have unearthed 42 million yuan in illegal capital, 27 million of which can be transferred to the national treasury. The trial audits have helped the units concerned to improve management and economic result.

The conference proposed that the tasks for this year are to complete the establishment of organs and assignment of work personnel, and carry out trial audits to probe and accumulate experiences. Each country should hold trial audits at one or two units, each prefecture at two or three, and each city at three to five.

HUBEI HOSTS INTERNATIONAL BUSINESS TALKS

HK040604 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 2 Jun 84

[Text] The 1984 month of talks on Hubei's economic and technical cooperation with foreign countries officially started yesterday. This is another large-scale activity on international economic and technical exchanges, which follows last year's month of talks on international economic and technical cooperation. At a press briefing on the month of talks on international economic and technical cooperation held yesterday morning, provincial Vice Governor Guo Zhenqian pointed out: Since the first month of talks on international economic and technical cooperation held last year, more than 600 foreign companies and 1,500 foreign businessmen have come to the province for talks on economic and technical cooperation. As of now, 82 contracts on economic and technical cooperation totaling \$50 million have been signed. They have played, or are playing, an important role in the development of the provincial economy. This year, we will continue to adopt resolute measures to implement an open-door policy, and import foreign advanced technology boldly, so that we will be able to speed up the technical progress of existing enterprises. He welcomed foreign businessmen to come to the province for talks on economic and technical cooperation in all forms.

The month of talks on economic and technical cooperation started on 1 June, and will be closed on 30 June. At present, businessmen and representatives for foreign companies from the United States, the Federal Republic of Germany, Switzerland, Japan, Great Britain, Belgium, Singapore, and the Hong Kong and Macao areas have arrived in Wuhan, and the talks have begun.

GUIZHOU SCIENCE, TECHNOLOGY MEETING OPENS

HK040556 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 2 Jun 84

[Excerpts] A provincial science and technology work conference opened yesterday [2 June] in the provincial CPPCC auditorium. Those who attended the conference were directors of various prefectural, city, and county scientific and technical committees, responsible persons in charge of scientific and technical work in various provincial committees, departments, and bureaus, responsible persons of the provincial departments concerned, responsible persons of various provincial universities and colleges, and directors of various provincial and prefectural scientific research institutes. Those who were invited to attend the conference also included some leading comrades from various prefectures and counties, responsible persons of enterprises and establishments and representatives of the two households in the rural areas. Provincial CPC Committee Secretary Zhu Houze attended yesterday's conference. The conference was presided over by provincial Vice Governor Xu Caidong. (Huang Weilian), director of the provincial Scientific and Technological Committee, delivered a report entitled: Deepen Our Understanding and Persist in Reforms.

He relayed the spirit of the national science and technology conference. He pointed out: We must deepen our understanding and resolutely implement the strategic policy of the central authorities. Economic construction must rely on science and technology, whereas science and technology must serve economic construction. Under the guidance of the strategic policy of the central authorities, we should speed up the reform of the scientific and technological system. The decisionmaking power of scientific research institutes must be expanded.

Director (Hua Weilian) added: At present and for a certain period of time in the future under the guidance of the policy of the central authorities, we should overcome the defect that science and technology are separated from production. We should arouse the enthusiasm of the scientific and technological departments and personnel. We should grasp well the reforms of the scientific and technological system to meet the demands of the development of the economy and science and technology.

A provincial meeting on scientific and technological information also opened yesterday.

SICHUAN'S YANG RUDAI STRESSES ECONOMIC REFORMS

HK030606 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 3 Jun 84

[Text] According to SICHUAN RIBAO, on 1 and 2 June, responsible comrades of a number of provincial departments and bureaus in charge of economic work reported to the provincial CPC Committee on the situation in party rectification. When hearing these reports, provincial CPC Committee Secretary Yang Rudai put forward specific demands on party rectification work in the provincial organs. He particularly stressed accurately identifying the main problems existing in the leadership groups, further eliminating leftist influence, adopting tangible measures for rectification and correction of defects, stimulating the progress of reforms, and applying actual deeds in reform to test the results of party rectification.

Comrade Yang Rudai said: As a result of party rectification, all units and departments must score new achievements in work. Whether they have succeeded in this should mainly be judged in three respects: 1) in carrying out the various reforms; 2) in seriously implementing the policies; 3) in the possession of a new work style.

Comrade Yang Rudai repeatedly stressed while listening to the reports: It is essential to regard reform as an extremely important issue, and solve it as such.

He said: All departments and units must seriously eliminate leftist ideological influence, take a correct view of reforms and reformers, create a new situation, and enrich the people and improve the province's position; this cannot be done without reforms and reformers. In Sichuan the number of people bold in carrying out reform is too few, not too many. Some people want to carry out reforms, but are bound up by old concepts and conventions. We must untie the knots for these people and encourage them to be bold in carrying out reforms. Regarding the reformers, we must look at the essence and the main current, and provide them with support and help. It is very abnormal that in some places and units it is good old boys and non-reformers, not reformers, who are popular. Such a state of affairs must be totally changed in the course of party rectification.

We cannot select good old boys when selecting cadres and building up the third echelon. We must select people who dare to destroy the old and create the new, and choose reformers. If, after party rectification, the people in a unit still lack interest in reform, that shows that rectification has been done in a superficial way.

XIZANG RECTIFICATION GROUP SETS REQUIREMENTS

HK300517 Lhasa Xizang Regional Service in Mandarin 1130 GMT 29 May 84

[Text] The regional group for guiding party rectification work issued a circular recently on conscientiously implementing the minutes of the Xizang work forum and earnestly doing a good job of comparison and examination.

The circular pointed out: Most of the units which make up the first group in the region to undergo party rectification have entered or will soon enter the stage of comparison and examination. Doing comparison and examination well plays a decisive role in attaining the anticipated results and in ensuring that party rectification will not proceed perfunctorily. We must make a success of the work of this stage and never tolerate failure. We must strengthen leadership and try our utmost to do the work well. In order to do a good job in the stage of comparison and examination and to ensure that party rectification will not proceed perfunctorily, the circular put forward the following four requirements:

1. Studying and implementing the minutes of the Xizang work forum held by the CPC Central Committee should be an important matter for party rectification in the region. Whether or not the thinking of party members of the whole region, particularly leading cadres, can be in agreement with the minutes and whether or not they can be united as one to fulfill the three great tasks centered on economic work should be the criterion for judging the achievements of Xizang's party rectification. Therefore, it is necessary for the study and implementation of the minutes to penetrate the entire process of party rectification. When party rectification has entered the second stage, all units should continue to pay close attention to the study of the minutes, should unify the thinking of all party members, and should eliminate leftist influence. In accordance with the spirit of the minutes and the tasks of each unit, we must try to find out the main problems existing in each unit and department and readjust the guiding ideology and policies for vocational work. All units and departments should also work out effective measures for implementing the minutes.

2. The key to doing comparison and examination well lies in carrying out criticism and self-criticism. After entering the second stage of party rectification, all units should conscientiously organize party members in studying Comrade Mao Zedong's expositions on criticism and self-criticism, Comrade Chen Yun's instruction on stressing truth and not face-saving, and Circular No 7 of the Central Discipline Inspection Commission. They should profoundly understand the importance of criticism and self-criticism, appropriately grasp this weapon, and make ideological preparations for carrying out criticism and self-criticism.

The party members should be organized to conscientiously study, article by article, paragraph by paragraph, and sentence by sentence, the party Constitution stipulations on the nature and general task of the party, the basic requirements and duties of party members, and the basic requirements for leading cadres. They should grasp the spiritual essence of these stipulations, make preparations for examination, seriously and correctly carry out criticism and self-criticism, and persist in setting high and strict demands on themselves. The relevant articles stipulated in the party Constitution and Document No 6 should be taken as the standard for examining the performance of party committees and party groups. The party committees and party groups should lay stress on examining the problems existing in implementing the party's line, principles, and policies, accomplishing the tasks assigned by the party committees at higher levels, creating a new situation in their own units and departments, achieving unity among leading bodies, practicing democratic centralism, and so on. While carrying out criticism and self-criticism, they should not be afraid of pain, disgrace, losing face, and losing votes. They should not make token criticisms or avoid important matters and dwell on the trivial. They should have faith in the masses and the party and should be honest party members. They should be honest and faithful to the party, draw a clear distinction between right and wrong, clarify their ideas, raise their awareness, unite with comrades, and strengthen party spirit. It is also necessary to prevent interference by factionalism and sectarianism and the scrambling for personal fame, gain, and positions. The work of comparison and examination should be carried out from the top to lower levels, first the party committees and party groups, then the chief leading cadres, and then ordinary party members. The examination of party committees and party groups should undergo the test of the collective. The examination of leading bodies and principal members should be made in front of all party members and, if necessary, representatives of the nonparty masses may also be invited to take part in such meetings. After examination, the party members should be organized to make appraisals, to listen to different opinions and objectives, and to implement mass supervision.

3. It is necessary to earnestly straighten out the unhealthy tendencies of bureaucratism and abusing power to seek personal gain and to pay close attention to the cases of party members violating the law and discipline. First of all, the leading cadres should make a new breakthrough in their thinking. We must deepen our understanding, enhance discernment, and cast away all fears. We must have the courage to tackle the problems of abusing power to seek personal gain, bureaucratism, and violation of discipline by party members which the masses oppose most. On the basis of listening to the opinions of the masses over a wide range, it is necessary to check the unhealthy tendencies of each unit and to resolve them by carrying out criticism and self-criticism. Special forces should be organized to handle the grave problems of bureaucratism and abusing power to seek personal gain with which the masses are strongly discontented. This is one of the criteria by which to judge whether or not the leading bodies are firm and powerful. We must conscientiously solve the problem of unity among leading bodies at all levels. Unity is the hallmark by which to judge the party members' strong sense of party spirit. The criterion for judging whether party rectification has proceeded perfunctorily is to see whether or not the leading bodies are formed into a united and firm core of leadership. If the problems are difficult for the leading body of a unit to solve, the regional Discipline Inspection Committee, the Organization Department of the regional CPC Committee, and the regional Party Rectification Office may send the personnel concerned to discover the problems, set the facts straight, put forward their opinions, and help solve the problems.

4. It is necessary to strengthen leadership over party rectification work. If we fail to strengthen leadership over party rectification work in Xizang, there will exist the danger of party rectification proceeding perfunctorily. The party committees and party groups of all units should soberly understand that the new situation and new tasks have set higher demands on party rectification work.

They should correctly handle the relations between implementing the minutes and developing the economy on the one hand and party rectification on the other; correctly understand the relations between relaxing policies and insisting on the requirements for party members; and use party rectification to promote the economy and the economic work to examine party rectification.

The regional Party Rectification Office should strengthen supervision over party rectification work. The stress of work should be laid on grasping typical cases, summing up and exchanging experience, giving full play to the role of liaison officers of various units, understanding the situation, grasping the policies, and studying and solving the existing problems. The party committees and party groups of the units which are to undergo party rectification should undertake overall responsibility for the party rectification work of the units concerned, strengthen leadership, establish the responsibility system for party rectification work, and make clear their tasks and duties. There must be at least one person from among the chief leading cadres of party committees and party groups to take charge of party rectification work. If party rectification of a unit proceeds perfunctorily, the party committee of the higher level should bear the responsibility and the leading cadre of the unit should directly bear responsibility. First of all, the chief of the unit and the leading cadre in charge of party rectification should be blamed for dereliction of duty. It is necessary to give full play to the role of party rectification offices of various units and to the role of the party organizations at all levels. The party committees and party groups should hold meetings after every 2 weeks to review the situation of party rectification and the ideological developments. If any problem is discovered, it must be promptly solved. After the stage of comparison and examination is completed, all units should submit a written report to the party rectification guiding group of the regional CPC Committee.

'CRIMINAL ELEMENTS' AT YUNNAN PLANT PUNISHED

HK040522 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 2 Jun 84

[Text] In the Qujing chemical fertilizer plant where people of the three categories held power, criminal activities were rampant, and administration and management were in chaos. Losses were incurred in successive years. The masses called it a chemical fertilizer plant in chaos. Now, (Miao Zhaopai), former secretary of the general party branch of the plant, and (Xu Xuemei), former member of the general party branch and director of the plant, have been arrested according to law. (Zhou Yuwen), former member of the general party branch of the plant and director of the plant office, has been dismissed from all his posts inside and outside the party, and expelled from the party. Another former member of the general party branch and deputy director of the plant has been suspended from his duties, and his case is being further investigated. (Miao Zhaopai), former secretary of the general party branch of the plant, rose to power through rebellion during the Great Cultural Revolution. He abused power to seek private gain, neglected duty, and did a lot of bad things. Before the Great Cultural Revolution, (Miao Zhaopai) was an ordinary cadre of the Qujing County CPC Committee. During the Great Cultural Revolution, he became a member of the county CPC Committee Standing Committee, representing a mass organization. During the activities of drawing a line of demarcation and taking sides, he persecuted a number of cadres and the masses. During the campaign of exposing, criticizing, and investigating, instead of being investigated he was promoted to the posts of the secretary of the general party branch and director of the plant. He harbored and egged on criminal elements, and abused his power to accept graft.

(Xu Xuemei), former plant director, abused his power since 1975, resorting to threats and cajolery to rape four female workers by seizing the opportunity of employing workers, approving temporary workers to become regular workers, and transferring some workers to other posts. In the meantime, by making use of the opportunity of pursuing the piece rate wage system, he accepted graft in the sum of 300 yuan.

(Zhou Yuwen), former member of the general party branch and director of the plant office, served as a hatchet man during the activities of drawing a line of demarcation and taking sides. He brutally persecuted cadres and the masses by tying them up, trussing them up, hanging them up, and beating them. About 17 persons were beaten by him. Some of them were crippled. When these people held power in the plant, they assigned people who had made serious mistakes to leading posts in the plant's shops, departments, and sections. They held the power for supply, sales, and finances of whole plant. Due to the fact that these people monopolized everything in the plant, the line, guiding principles, and policies of the party were not implemented. It was impossible to uphold party principles in the plant. The activities of the CPC and CYL organizations were abnormal. Enterprise management was in chaos and losses and waste were serious. The plant was established in 1971, and went into operation in 1973. The state has invested 7.8 million yuan in the plant. By the end of last year, the plant had been in operation for 11 years. With the exception of profits in the sum of 290,000 yuan in 1981, the losses incurred in the plant were 4.02 million yuan over the past 10 years. Since people of three categories held power in the plant, evil trends prevailed and good people were bullied. The order in the plant was in chaos. Hooliganism and criminal activities ran wild. Embezzlement and gambling were rampant. At present, a new leading body has been established in the plant. After criminal elements had been punished, workers and staff members feel proud and elated. The general mood of the plant has improved, and a new situation has been created in production.

Station Commentary

HK040544 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 2 Jun 84

[Station commentary]

[Excerpts] People of the three categories holding power in Qujing chemical fertilizer plant have been exposed and dealt with according to the law. (Miao Zhaopai), former secretary of the general party branch of the plant, (Xu Xuemei), former member of the general party branch and director of the plant, and (Zhou Youwen), former director of the plant office, have been expelled from the party and arrested according to the law. Over the past few years, our province has done a lot of work in order to weed out people of the three categories, and we have achieved marked results in this respect. However, we should also realize that some people who rose to power through rebellion and other ringleaders are good at camouflage and spying on land. They can play various tricks. Some of them have hoodwinked and deceived some of our leaders. As a result, these leaders failed to seriously investigate their cases. A handful of these bad elements have even sneaked into leading bodies. Some of our leading cadres have failed to see through these people. They have even thought that after the activities of exposing, criticizing, and investigating, they had done enough to weed out people of the three categories. They also believed that these people had now become obedient and honest. Some of our party organizations are weak and lax in leadership. They have failed to seriously weed out people of the three categories. Some of them are influenced by factionalism, and have failed to do a thorough job of weeding out people of the three categories. All this shows that further weeding out of people of the three categories in party rectification is imperative. The CPC Central Committee and provincial CPC Committee have repeatedly stressed that we should grasp the work of weeding out people of the three categories and regard it as a key link in party rectification in order to purify party organizations. This is a very important, timely, and significant directive. Party organizations and party leading cadres at various levels should take a firm stand and report resolute measures to be irresolute with regard to this matter. We should completely weed out people of the three categories regardless of their former factions and posts. People of the three categories who have smashed into leading bodies should of course be resolutely expelled from them without exception. Those who are guilty of terrible crime should be dealt with according to the law. We should not lower our guard against them.

JILIN PROVISIONS ON PERSONNEL SYSTEM REFORM GIVEN

SK050539 Changchun Jilin Provincial Service in Mandarin 2200 GMT 4 Jun 84

[Text] The Organization Department of the Jilin Provincial CPC Committee held a forum from 23 to 26 May with the participation of directors of city, prefectural, and autonomous prefectural party committees' organization departments and of chiefs of personnel sections under the provincial level departments and commissions concerned. At the forum, participants intensely discussed the relevant issues on how to enable the organizational work and personnel affairs to meet the need of the current situation prevailing in transformations. The forum put forward the following 10 measures for conducting transformation in personnel systems:

1. It is necessary to allow greater autonomy on personnel management to grassroots levels. In principle, the scope of personnel management at each level only covers the affairs of the level next to it. Efforts should be made to practically change the practice in which enterprises, establishments, and units are intervened by various aspects in personnel affairs and management. The appointment and dismissal of personnel in charge of administrative and political work among enterprises and establishments should be approved by the department concerned at their higher level. The secretary and deputy secretaries of enterprise party committees should be elected by party members and the elected namelist should be approved by the party committee at their higher level. The deputy personnel in charge of administrative work among enterprises and units can be selected by the chief of plants, the manager of companies, the principal of schools, and the president of colleges and institutes, and their selected namelist should be approved by the department concerned. The appointment and dismissal of medium-level cadres in charge of administrative work among enterprises and units can be approved by plant chiefs, company managers, school principals, and by college and institute presidents.
2. It is necessary to gradually foster a system in which the cadres of enterprises are competent in assuming both the leading and laboring work. All cadres in both state-owned and collective-owned enterprises may be arranged for labor in line with their personal conditions and the demand of enterprises. During their working period, their cadre status and their political-life privilege remain unchanged. The party and administrative leading cadres of enterprises and establishments, who have failed to make a breakthrough in business or committed serious mistakes, should be dismissed on the spot or turned into workers and should be given work they are able to do. Cadres elected among workers may enjoy the privilege of the corresponding level state cadres during their tenure of office and they may also return to their worker status when they have left their office, of which their payment should be suspended immediately.
3. It is necessary to do away with the bonds between state-owned and collective-owned enterprises in an effort to conduct the exchanges of talented personnel.
4. It is necessary to treat equally without discrimination in politics among cadres between state-owned and collective-owned enterprises. In offering training and further study opportunities and in appraising professional titles, they should enjoy equal treatment.
5. Within the personnel quota fixed by the department concerned, enterprises have the right to appoint personnel to their internal units and can be freed from the interference of their higher or lower similar business units. The higher department in charge of personnel affairs and other units have no right to meddle these enterprises' personnel appointments.

6. It is necessary to encourage or enforce rational transfer of scientific and technological personnel. Scientific and technological specialists who have not used the specialized knowledge that they majored in at schools and who have been long held by their own units, may be directly transferred to other proper posts by the personnel affairs departments.

7. Within the fixed personnel quota, the transfer of general cadres in the organs, enterprises, establishments, and units of cities and their suburbs can be carried out through consultation conducted by both sides. The units that accept the transfer should be responsible for offering the transfer document that will no longer be the responsibilities of the department in charge of the transfer and the organizational and personnel affairs departments.

8. It is necessary to integrate the qualification appraisal with tests in recruiting cadres. We should enforce open application for the cadre recruitment test, conduct a unified test and unified reading over of examination papers, and should select the best.

9. With the approval of the personnel affairs department at or above the county level, the cadres of the party and government organs at all levels and of enterprises and establishments, in line with their personal desire and the grant of their units, may engage in individual business by signing a contract or agreement with their own units.

10. Rural townships and towns and urban neighborhoods may enforce the contracting system in employing cadres.

At the forum, participants exchanged opinions on enabling the party organizations in enterprises carry out their work after enforcing the system of personal responsibility among plant chiefs and company managers, and they also put forward working measures.

The forum also analyzed the developing situation and existing problems cropping up in building the contingent of the third echelon and put forward concrete measures for dealing with these problems so as to create a new situation in the province's work of building the contingent of the third echelon.

CHENG MING ON PLOT TO KILL REAGAN IN BEIJING

HK050438 Hong Kong CHENG MING in Chinese No 80, 1 Jun 84 pp 29-30

[Article by Jin Sheng: "Secrets of Reagan's Visit to China"]

[Text] Although Reagan's China trip is already wound up, something the press never reported is of high journalistic value and really worth reporting. The security measures taken by the United States and China during Reagan's visit to China drew great interest. People wondered why Reagan brought almost everything, such as his bulletproof limousine and drinking water, along with him. The Chinese people are the most modest in the world. They would never greet their guests with rotten eggs or putrid tomatoes. Why did the authorities take such strict security measures? Were these measures redundant? In fact, the measures taken by the U.S. authorities were by no means purposeless.

A Formidable Plot by Foreigners To Assassinate Reagan In Beijing

The Beijing Public Security Department received reports on a plot to assassinate Reagan before the President departed for China. According to a document, the embassy of a certain country at war with another country was conspiring to assassinate Reagan. The organizer of the operation planned to hit Reagan's car with another car full of explosives. The operation was to be carried out by a student from that country. The student assigned to this task became extremely anxious and terribly nervous. He realized that he would never survive whether the operation was successful or not. He eventually committed suicide by jumping from a tall building.

Meanwhile, the Chinese public security authorities also repeatedly received threatening letters and telephone calls and arrested several people. People were ordered to close all upstairs windows of buildings along the route which Reagan's motorcade was to pass. Plainclothesmen were stationed on the roofs and in the rooms of some tall buildings to keep watch on any movement in the streets. Because these measures were taken, no incident took place and the performance of the Beijing Public Security Department was just perfect during Reagan's visit.

Deng Xiaoping said: If Taiwan Strives for Independence...

During his visit, Reagan held talks with Deng Xiaoping and Zhao Ziyang separately. Did they achieve anything substantial in their talks apart from the report that they were smiling during their conversation? A well-informed friend of mine told me that during his talks with Chinese leaders, Reagan emphasized the importance and necessity of strengthening Sino-U.S. relations, while both Deng and Zhao, in turn, laid special stress on the issue of U.S.-Taiwan relations. Deng Xiaoping reiterated China's determination to reunify the country peacefully, but did not rule out the possibility of explosive action if Taiwan strives for independence. He pointed out that the United States had seriously offended others in supporting the four "unsinkable aircraft carriers" in the world (namely Taiwan, South Korea, Israel, and South Africa) and voiced his hope that the United States would revise its policy.

The United States Still Wants To Support the "Four Unsinkable Aircraft Carriers"

Just like Brzezinski (former chairman of the U.S. National Security Council) who visited China not long ago, Reagan adheres to the U.S. policy toward Taiwan. It is obvious the policy of China's leaders of urging the United States to change its policy of supporting the "four unsinkable aircraft carriers" will not bring notable results.

This is also the case with the Chinese Government's policy of asking the Soviet Union to stop sending troops to Afghanistan, asking Vietnam to withdraw its troops from Kampuchea, and asking the Soviet Union to pull its troops back from the Sino-Soviet border. Therefore, Reagan's recent visit to China only played the role of feeling each other out. Neither side has changed its policy. Carter's previous idea of treating China as a strategic partner has been proven impossible by Reagan's recent visit to China.

However, it was interesting that when Reagan was in Beijing, the United States and China signed an agreement on nuclear cooperation.

Through the implementation of this cooperative agreement, China will learn how to handle nuclear waste -- the technology of handling plutonium. It is reported that plutonium can be used to manufacture nuclear weapons. Therefore, the United States has never liked China's mastering this technology. When the two sides were drafting the agreement, the United States insisted that China was not allowed to use plutonium to manufacture weapons, but the Chinese side said that the United States could not interfere in this matter. The two sides weighed words and eventually accepted a wording which could be interpreted that the Chinese side understood the United States could not interfere in China's use of plutonium, and that the United States understood China could not use plutonium to manufacture weapons. At last, agreement was reached.

A Dialogue Between the Soviet Foreign Minister and Chinese Vice Foreign Minister

Before and after Reagan's China trip, Sino-Soviet relations were an eye-catching event. The Soviet Union once intended to send Arkhipov, first deputy chairman of the Council of Ministers to visit China. This became a subject of much discussion in the press circles of the world.

At present, Sino-Soviet relations have been considerably improved. Both sides have developed their trade and strengthened their cultural and educational exchanges. The Soviet Union even sent people to China to study implementing the responsibility system in rural areas and to visit Shenzhen. When Chinese Vice Foreign Minister Qian Qichen visited the Soviet Union, Gromyko asked Qian privately: Does China truly believe the sweet words and honeyed phrases of the imperialists? Qian answered: China has been dealing with the imperialists for more than 100 years, it clearly understands the essence of imperialism. Gromyko expressed his desire to develop relations between the Soviet Union and China. Qian said that the two countries could develop their economic relations.

People notice that although Sino-Soviet relations are improving continuously, the Soviet press has not eased its attacks on China. Why? There are two reasons for this: 1) diverting the attention of the United States from the improvement of Sino-Soviet relations; 2) quelling the desires of the East European countries to improve their relations with China.

It is obvious that China is basically adhering to its equidistant diplomacy toward the United States and the Soviet Union. It will adopt flexible strategic measures to implement the strategy. Whether the United States and the Soviet Union will be favorably treated or struck back depends on their attitude toward China. To vigorously promote its economy and carry out a new technical revolution, China should rely on the help of advanced countries, whereas the United States and the Soviet Union have to improve their relations with China for the benefit of their economic, political, and military interest.

DENG'S REMARKS ON GENG BIAO, HUANG HUA VIEWED

HK011112 Hong Kong CHENG MING in Chinese, No 80, 1 Jun 84 p 3

[Special report: "The Background of Deng Xiaoping's Reprimand Against Geng Biao"]

[Text] On the afternoon of 25 May, in front of their TV sets, Hong Kong people watched Deng Xiaoping scold Huang Hua and Geng Biao in a great rage as he talked with Hong Kong reporters on the matter of stationing troops in Hong Kong in the future. He said: "I want to refute a rumor. What Huang Hua and Geng Biao said was absolute rubbish. What they said about stationing troops in Hong Kong is not the view of the central authorities." On 18 May, Huang Hua, vice chairman of the NPC Standing Committee, said that in the future Hong Kong might be allowed to send a representative to join the Chinese delegation to the United Nations. It was believed that "this was not the view of the central authorities" either. But Huang Hua never touched on the issue of stationing troops in Hong Kong. Why did Deng Xiaoping criticize him by name when he was "refuting a rumor?" The fact is that Deng Xiaoping does not have a good opinion of him. In November 1981, Huang Hua was removed from his post of foreign minister (he was replaced by Wu Xueqian). Some people guessed that Huang Hua, an experienced diplomat, might have talked about the matter of stationing troops in Hong Kong at a meeting of the NPC Standing Committee. The case of Geng Biao was different from that of Huang Hua. On 21 May, Geng Biao, also a vice chairman of the NPC Standing Committee, told a Hong Kong reporter: "Beijing will not station the PLA in Hong Kong." The "rumor" which Deng Xiaoping "refuted" was actually a "rumor" spread by Geng Biao.

Deng Xiaoping does not like Huang Hua, but he is even more dissatisfied with Geng Biao. Like Hua Guofeng and Wei Guoqing, Geng Biao regards himself as a person "loyal to Chairman Mao's revolutionary line." He regards the reforms initiated by Deng Xiaoping as "taking the capitalist road." It was reported that Geng Biao is one of the senior cadres who does not favor the policy of special zones.

Geng Biao's theory on army building is the same as Wei Guoqing. But their theory conflicts with that of Deng Xiaoping. Deng Xiaoping advocates the modernization of the Army, and has urged the entire Army to learn cultural knowledge and science and technology. However, Geng Biao and others have openly belittled the importance of making the Army better educated. Actually, they oppose the modernization of the Army. They have stubbornly adhered to the dogma of "regarding man as the decisive factor," and the dogma of "people's war." The theory of "people's war" actually reflects the theory of the "two whatevers" in military affairs.

Geng Biao has capitalized on his battle achievements (before the Long March, he was chief of staff of the Fourth Front Army; during the war of resistance against Japan, he was the deputy brigade commander and chief of staff of the Eighth Route Army; during the third revolutionary civil war, he was the chief of staff of the field army in the Shaanxi-Chahar-Hebei region, and deputy commander as well as chief of staff of the famous 19th Corps). He was also an ambassador to six countries, vice foreign minister, and director of the International Liaison Department of the CPC Central Committee. In the battle to overthrow the gang of four, he did a meritorious deed under the leadership of Ye Jianying. Therefore, when he was working as general secretary of the Military Commission, member of the Military Commission Standing Committee and defense minister, he collaborated with Wei Guoqing, director of the Political Department of the PLA, to openly belittle the importance of the modernization and regularization of the Army, and to oppose the military line which attaches importance to the role of cultural and scientific and technical knowledge. They openly entered into rivalry with Deng Xiaoping.

After that, during the period between the 12th CPC National Congress and the 1st Session of the 6th NPC, Geng Biao was deprived of a series of posts, including CPC Central Committee Political Bureau member, CPC Central Committee member, CPC Central Committee Military Commission secretary general, CPC Central Committee Military Commission Standing Committee member, state councillor, and defense minister. Thus, in the party, he kept only the nominal title of Central Advisory Commission member. At the First Session of the Sixth NPC, Geng Biao and Huang Hua were elected together as members of the NPC Standing Committee. The position of NPC vice chairman is merely a nominal title.

Recently, Ye Jianying's health has deteriorated and he has been under emergency treatment (CHENG MING No 78 reported Ye Jianying received emergency treatment when his health got worse a few months ago). At the moment, certain persons who have special historical relations with the Old Marshal probably have tried to make trouble again. This circumstance would of course have drawn Deng Xiaoping's attention. Why did Hu Yaobang review troops in Changchun recently? It is reported that there were two reasons, one of which was to confirm the allegiance of the troops there. (Editor's note: We will find out the other reason through thorough investigations and report it later.)

In light of the above facts, it can be seen there are contradictions within the high-level leadership, and that these contradictions may deteriorate along with the worsening health of Marshal Ye. It is believed Geng Biao actually violated party discipline in speaking of the problem of stationing troops in Hong Kong and what he said was indeed "absolute rubbish" [hu shuo ba dao 5170 6141 0360 6670]. Was it possible that Deng Xiaoping revealed the contradictions to the public purposely by denouncing Geng Biao so as to attack his opponents? Nonetheless, this act by the revered Mr Deng has astonished the Hong Kong people.

We have persistently opposed "leftist" practices, holding that the CPC should attach prime importance to the task of opposing "leftism" at the present state. In concrete terms, it is necessary to remove "leftist" kings and "leftist" generals from office and smash the personal cult of Mao Zedong. Today, Mao Zedong's "leftist" thinking stays alive in the minds of Geng Biao and his like, and Mao Zedong's style of ignoring different opinions, practicing paternalism, and making arbitrary decisions has become the habit of numerous leading cadres. These are the objects which the reform group headed by Deng Xiaoping is attacking. And, we believe, if those with "leftist" thinking who oppose democracy manage to seize the power to speak and to make decisions on Hong Kong's future, it will mean absolute misery to the 5 million people of Hong Kong as well as the 7 billion Chinese.

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